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CETA: New Era in Manpower

- Lessons for Prime Sponsors
- Paving the Way for Local Control
- Building a Manpower Partnership

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volume 6 number 4 U.S. DEPARTMENT OF LABOR MANPOWER ADMINISTRATION

On Reaching a Watershed

The Federal Government pays the fiddler, but local officials call the tune.

That is one way to sum up the Comprehensive Employment and Training Act (CETA). Enacted late last year, CETA shifts the authority and responsibility for designing and running manpower programs from Washington to city, county, and State governments. Unquestionably, it is a watershed in the relatively brief history of manpower programs.

Job training probably dates to the first time one caveman showed another how to butcher a mastodon to get the maximum number of filets. But in a formal sense, the birth of manpower programs usually is associated with passage in 1962 of the Manpower Development and Training Act (MDTA). It was essentially a response to fear that automation would generate large-scale unemployment. It didn't, but other issues involving people and their ability to earn a living began to surface.

Spurred by passage of the Economic Opportunity Act in 1964, employment and training programs began to focus not on those who had lost their way in the labor market, but on those who had never gained a foothold—the poor, the uneducated, the unskilled—the so-called disadvantaged. These programs were administered from Washington, with each locality allotted a specified amount of money for specific projects. If the pre-ordained strategy failed to match local needs or labor market realities, little could be done to alter the formula.

Now, local officials will have the opportunity to design manpower plans that reflect the needs of the workers and employers they are supposed to serve. No one knows, of course, exactly what shape these plans will take. That does not mean, however, that CETA itself is not the product of careful planning. It stems from an impressive lineage of pilot projects and studies and from ongoing manpower programs that incorporated various elements of local control. These CETA building blocks are the subject of two articles in this issue: *Lessons for Prime Sponsors* and *Paving the Way for Local Control*. And for some insights into the mechanics of decentralization under CETA, we invite your attention to *Building a Manpower Partnership*, an interview with William Kolberg, Assistant Secretary of Labor for Manpower.

Ellis Rottman

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Paving the Way for Local Control

by Patricia Marshall

Planning Grants, Pilot Projects Helped Governments Prepare for CETA

Few laws had more administrative groundwork laid in advance than did the Comprehensive Employment and Training Act (CETA), enacted last December. These preparations are helping to ease the transfer of manpower program responsibilities from the Federal to State and local levels, as called for by CETA.

In large part, the preparatory activities grew out of a general agreement among those concerned with manpower policies that the responsibility for planning and administering manpower programs should be decentralized to State and local governments. Experience with manpower programs—which were given birth by the Manpower Development and Training Act of 1962 (MDTA) and the Economic Opportunity Act of 1964 (EOA)—argued for decentralization. It was hard to shape programs in Washington which could meet manpower needs in a nation that spans a continent and has great regional and local variations. The effort to do so spawned a body of categorical programs, each meeting a particular set of needs. However, each had its own inflexibilities in terms of funding levels, eligibility requirements, and services.

But change is difficult and, in the manpower field, it presented special problems. For years, State and local governments largely were bypassed in the planning, funding, and administration of manpower programs. Until these units of government gained control over the vital manpower functions—as they now have done under CETA—they had little incentive to develop manpower expertise.

As it became ever more apparent that it was not feasible to run most manpower programs out of Washington, the Manpower Administration began assessing local capabilities and developing local muscle for manpower planning and administration. Among the agency's efforts were: Grants to the chief executives of States, cities, and counties to pay for manpower planning staffs and to help them explore various aspects of manpower programing; pilot area and State programs to test the potentialities of a comprehensive, decentralized approach to manpower needs; evaluation studies of these pilot projects to assess and compare experiences with comprehensive programing in a variety of situations; and the development of a technical readiness in the Manpower Administration to help States and localities take over the manpower reins.

Various Purposes Cited

Not all of the groundwork on which CETA rests, however, was done with the intention of building a base for local program control. Some had a different purpose, such as correcting gaps, duplications, and poor coordination among programs operating under MDTA and EOA. Still, the attempts made to fulfill these purposes taught State and local officials early, valuable lessons on the subject of manpower.

The Concentrated Employment Program (CEP), begun in 1967, was one of these efforts. Its goal was to pull together diverse programs at the local level under a single prime sponsor—an idea that is central to the CETA framework—and focus all resources upon defined areas of concentrated need. The CEP's generally were located in urban and rural poverty pockets, where manpower needs were extensive and complex. Usually, a community action agency was the prime sponsor for each CEP, and it subcontracted with specialized agencies to get the training, health, job placement, and other services disadvantaged clients need to obtain work. In other instances, units of general government were the prime sponsors of CEP.

As manpower systems, the CEP's had some built-in limitations. In commenting on these problems, manpower scholars Sar Levitan and Robert Taggart point out that many of the CEP concepts—such as its focus on areas of greatest need and its followup on job placements to help people stay in their jobs—were borrowed from Jobs Now, a successful Chicago experiment to get employment for hard-to-employ, disadvantaged youth. But where the prototype "evolved from careful thought and planning . . . in a single community, the CEP concept was only rough-hewn before it was implemented in cities with widely varying conditions," the authors say.

According to Levitan and Taggart, the Chicago experiment also had strong input from business leaders and benefited from a tight labor market. In CEP, there was a major attempt to draw the staff from target poverty areas. These persons did not always have the strong attachments to the business community which were present in the Chicago youth program.

Nevertheless, CEP's were a CETA forerunner in their attempt to link vital services on behalf of the people who needed their help. Howard Hallman of the Center for Governmental Studies comments on this feature of CEP's in his *Pilot Comprehensive Manpower Program: Implications of Its Experience for Local and State Manpower Organization*, a report done under contract with the Manpower Administration on nine pilot projects funded by the agency last year:

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"CEP provided the first experience with local prime sponsors of manpower programs," Hallman says, "and taught valuable lessons on how to knit together elements in the service delivery system. Because in cities it was limited to a comparatively small geographic area, it did not evolve into an areawide manpower system in most places. However, all six local areas with CMP (comprehensive manpower) projects have had CEP's—in four cases . . . there is a direct lineage."

In Omaha, the city always has been the CEP sponsor. Along with the city's other manpower programs, the CEP is administered by Omaha's manpower director, an appointee of the mayor. Last year, Omaha was designated by the Manpower Administration to be prime sponsor of a pilot comprehensive manpower program (CMP) for the city, two adjacent counties, and a smaller city. In many respects, the CMP plan was an expanded CEP developed by city personnel, Hallman says.

The Cooperative Area Manpower Planning System (CAMPS) was another attempt, begun in 1967, to coordinate manpower services. CAMPS tried to improve manpower planning by bringing together at local and State levels representatives of all agencies getting Federal manpower funds. The CAMPS committees met regularly to share information on manpower needs, to assess the outlook for economic development and program resources, and to develop comprehensive manpower plans.

In all but a few States, the early CAMPS had no clout and the manpower plans they spun were of doubtful value, Levitan and Taggart say. Until the last couple of years, CAMPS was largely an information exchange.

CAMPS was redesigned in 1971. The purpose was to move further toward decentralization of manpower programs by placing control of the planning function directly under governors and mayors.

The new CAMPS structure called for State Manpower Planning Councils (SMPC's) and local Manpower Area Planning Councils (MAPC's), appointed by governors and mayors and responsible to them. The councils—no longer simply coordinating bodies—were given the authority to determine manpower needs and priorities and to develop comprehensive plans for their areas. Their membership was broadened beyond that of the earlier CAMPS so that the councils would better represent community interests—the client population, labor, and business—as well as the agencies concerned.

To make these changes meaningful, regional manpower administrators were instructed to base their funding actions on council plans as much as possible. Later, this directive was strengthened as the Manpower Administration continued to move toward the decentralization of programs. Regional administrators were told that, in the 1973 fiscal year, they were to give "the highest priority" to program recommendations of State and local officials and that, in the 1974 fiscal year, they would be expected to view State and local plans as funding directives.

Manpower Administration grants to fund State and local planning positions helped to undergird the agency's efforts to decentralize programs. Starting in 1969, grants were made to governors to pay for planning staffs to serve both as CAMPS secretariats and as gubernatorial manpower experts. The next year, similar grants were made to mayors of

Regional contracting officers of the Manpower Administration get training in Washington, D.C., for the implementation of CETA. These officials will be handling prime sponsors' applications for Federal funds and other details which are part of transferring manpower program functions to State and local levels.

cities with more than 100,000 population and to Indian tribal organizations.

In the 1973 fiscal year, the Manpower Administration funded more than 1,200 planning staff positions, an average of 11 positions on gubernatorial staffs and two on the staffs of mayors. The total cost for this planning network came to more than $16 million, about double the amount of the first CAMPS planning grants in 1969.

By 1973, the Manpower Administration had decided to move as far as possible in the direction of comprehensive, localized programs under its existing legislation. In line with this, additional jurisdictions were offered planning grants. These were counties and cities with over 100,000 population which had not had CAMPS grants. Soon after enactment of CETA, the total grants to State and local jurisdictions amounted to $8.9 million.

Many observers have noted that CAMPS proved to be useful in the development of the nine comprehensive pilot manpower programs (CMP's). Hallman summarizes this contribution: "In spite of its weaknesses, CAMPS has brought together the principal actors in the manpower field and developed a data base for State and area-wide manpower planning. All nine CMP projects are direct descendants of CAMPS operations, and four of them come out of a marriage between CEP and CAMPS."

Some of the administrative foundation on which CETA rests was built by the Public Employment Program (PEP). Authorized by the Emergency Employment Act of 1971, this 2-year, $2.25 billion program which placed unemployed workers in subsidized jobs with State and local governments gave those governments the greatest flexibility and decisionmaking authority they

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In many areas, local experience in running manpower programs stems mostly from the Public Employment Program (PEP). Authorized by the Emergency Employment Act of 1971, PEP gave State and local governments funds to hire unemployed workers for transitional public service jobs. Local governments responded to the relatively broad authority granted them by filling a variety of jobs at every level of their operations.

ever had up to that time in dispensing large amounts of Federal funds.

Levitan and Taggart, in their book on the program, EMERGENCY EMPLOYMENT ACT: THE PEP GENERATION, say that eventually Federal guidelines to States and localities proliferated, but in the early and critical stages of PEP those units of government were relatively independent in deciding on the jobs to be filled, the qualifications of workers, and the level of training and supportive services to be provided.

"They were also given important allocational responsibilities," the authors note. The PEP program agents (States, and cities and counties with a population of more than 75,000) "were responsible for distributing funds among constituent townships, special districts, and other units," Levitan and Taggart say. "More critically . . . program agents were responsible for using funds to create jobs for residents of specified areas with unemployment in excess of 6 percent."

In many localities, PEP was the only manpower program elected officials were directly familiar with, according to a recent Manpower Administration study. Moreover, State and local governments had to recruit and train manpower staffs to administer PEP, and these persons, along with CAMPS planners, became a main source for staffing the pilot comprehensive manpower programs which were begun last year, the study said.

Training and technical assistance to State and local governments accompanied Manpower Administration efforts to localize programs. Shortly after the first CAMPS grants were made to governors and mayors for planning staffs, the Manpower Administration let contracts to public interest groups—the Council of State Governments/National Governors' Conference; the National League of Cities/U. S. Conference of Mayors; and the National Association of Counties. These grants were to pay for technical assistance in building the manpower capabilities of State and local governments. From 1969 through the end of this fiscal year, the funding to the public interest groups

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has amounted to nearly $3 million.

Out of these grants to public interest groups have come a host of activities that helped to prepare the way for decentralized programs. Among these were: The enlargement of manpower competencies in governments across the Nation, communication of varying experiences in the manpower field, identification of data and other resource needs for effective program planning, and the engagement of State and local officials in the public policy debate on manpower which preceded CETA's enactment.

In 1969, in concert with Administration efforts to obtain comprehensive manpower legislation, the Manpower Administration began modifying its regional office structure to strengthen the regions' capability for dealing with program prime sponsors. The regions were to change the assignments of manpower project officers so that, instead of being responsible for a certain categorical program, these officers would be assigned a specific geographical area and act as project officers for all programs in that area. In regions where this restructuring was fully implemented, there now are project officers who are prepared to deal effectively with program prime sponsors.

In 1971, as the Manpower Administration moved steadily toward the decentralization of its programs, the agency's top regional officials were asked to nominate units of government for prime sponsorship of pilot comprehensive manpower programs. This caused a number of governments to start positioning themselves for sponsorship responsibilities. In South Carolina, for example, the Governor took steps to coordinate State manpower activities under one administrative office. In Luzerne County, Pa., an agreement was worked out by the Office of Economic Opportunity and the Manpower Administration to move toward consolidation of manpower activities under the sponsorship of the Board of Commissioners. Around the country, there were many different actions of this nature, each building on local governmental makeup, manpower needs, and past program experiences.

Then, early last year, the Manpower Administration began a pilot comprehensive manpower program effort. Nine sites—three States (South Carolina, Utah, and New Hampshire), Luzerne County, and five cities or consortia of local governments whose boundaries were roughly congruent with a labor market area—were selected as pilot CMP's. The pilot projects, functioning under pre-CETA legislation, were given administrative authority to act as prime sponsors over a combination of Manpower Development and Training Act and Economic Opportunity Act monies ranging from $1.9 million in Omaha to $12.7 million in South Carolina.

Albuquerque Led Way

As Federal manpower program contract or grant periods ended in the pilot areas, or, as successful negotiations were concluded to bring categorical programs under a prime sponsor, the programs were phased into the fledgling comprehensive manpower projects. By last October, when Hallman finished his study, this process was nearly complete in Albuquerque-Bernalillo County. None of the other CMP's was as far along in bringing Federal programs under its wing. To put this in perspective, Hallman notes that well before its designation as a CMP, Albuquerque-Bernalillo County started to integrate manpower delivery systems, and it was the first area selected for a pilot project. Albuquerque was funded as a pilot program in March 1973, five more were funded in June, two in July, and one in August.

Overall, the pilot programs were operating basically the same manpower programs that existed before CMP, Hallman said. "At this early stage . . . almost all categorical programs have been retained and are run by the same program operators—with a few but not many exceptions," he wrote. "The CMP plans are not much different from previous CAMPS plans in stringing together vaguely related programs. They do not represent (1) a rigorous examination of need and opportunity" (some persons in the Manpower Administration, however, point out that while not ideal, it was the most rigorous examination done up to that time) " and (2) a design of a unified manpower service delivery system based upon determination of sequence of service required and followed by assignment of agency responsibilities. . . .

"The main exception is Albuquerque, which has begun to plan according to needed services rather than by available agencies."

It was not expected that the nine pilots—they came to be known as CMP I's—would make great leaps forward in their first attempts to run complex manpower programs. Rather, they were expected to provide a testing ground for administrative systems and procedures for a further decentralized effort and to provide experience in dealing with a variety of problems, given the various forms of government, multijurisdictional arrangements, staff capabilities, areas to be served, and the like. But as these projects worked the knots out of their manpower systems, their experiences could be used by

other jurisdictions as they, too, developed comprehensive manpower programs.

Both national and regional offices of the Manpower Administration gave extensive technical assistance to the pilot projects. Also, the national office began developing prime sponsor guidelines and handbooks for use by the next round of pilot programs—these were called CMP II's—in setting up, planning, and implementing comprehensive manpower programs.

To learn from the triumphs, failures, and more mundane experiences of the first pilots, the Manpower Administration did case reports on the pilots and program evaluations. These internal studies explored project elements important in the development of new programs. Among the factors the evaluators looked at were: The nature of multijurisdictional agreements worked out to get program prime sponsorship; geographic areas and political units covered by these agreements; the strategic planning (analysis of population, labor market, resources, and the like), and the operational planning (designing program models and delivery systems) that was done; the extent of client involvement in planning and operational decisions; the methods used to go from federally mandated categorical programs to locally designed program activities; the delivery system adopted for manpower programs, including the subcontracting that was done; and the linkages formed with the U.S. Department of Health, Education, and Welfare, and other agencies.

While the findings in these studies have a somewhat limited bearing on prime sponsorships under CETA—the CMP's, after all, were attempting to work out comprehensive programs under existing legislation (MDTA and EOA), which presented special restraints and difficulties—the effort helped to shape awareness of potential needs for future Federal technical assistance.

Last August, the national office of the Manpower Administration invited regional administrators to submit proposals for new pilot projects. By November, planning and development of a second round of projects was well underway. Approximately 40 CMP II's were proposed by the regions and expected to be in operation near the end of January.

In December, with the likelihood that the Congress would enact new manpower legislation—as it did, in CETA—the formal designation of CMP II's was "delayed indefinitely" as there were considerable differences between the old and new manpower legislation in program design and administrative systems.

Preparation Paid Off

But the intensive efforts that were made in 1973 to decentralize programs paid off when President Nixon signed new manpower legislation on December 28. By that time, Manpower Administration officials and staff task forces were acquainted with a wide array of decentralization needs at local and State levels and were poised to develop and issue draft regulations and implementation schedules without undue delay.

Plans also were well developed for providing administrative guidelines and technical assistance materials for prime sponsors. By the first of the year, for example, work was underway on technical and training materials to implement CETA. These include a prime sponsors' handbook, geared toward governors, mayors, and county executives; comprehensive Federal regulations, directed to sponsor staff and setting forth Federal legal and administrative requirements; and technical assistance guides covering planning, program components, organization and staffing, financial management, management information systems, and program assessment details.

A major effort was begun to train regional office personnel who are assigned to provide training and technical assistance to program prime sponsors.

At a manpower planning conference in 1971—this was one of the early efforts to bring about change in manpower programs—David Hill, a Cleveland manpower planner, said it was hardly surprising that this Nation had only recently initiated large-scale government-sponsored manpower programs, let alone planned or coordinated such efforts systematically.

"America has never been a nation of planners, in any field of urban endeavor," he said. "We have preferred individual action, and have often considered long-term consequences only when they reached crisis proportions. (After all) the streets of some of the largest cities of this Nation were laid out not by the hands of urban architects, but by the hooves of eighteenth and nineteenth century cows, traveling from clover patch to clover patch."

Preparations for CETA did not stick to old paths, however, and did explore many new ones. How important these preparations will prove to be is difficult to assess as program power moves from the Federal Government to States and localities. But given the inexperience that, up until a few years ago, was the lot of local units of government, it also seems likely that all of the efforts made in the past few years will produce some payoff. □

Building a Manpower Partnership

Assistant Secretary Calls New Approach 'True Decentralization Of Responsibility'

Under the Comprehensive Employment and Training Act of 1973, States or units of local government with a population of 100,000 or more will plan and carry out their own manpower programs with as few Federal controls as possible.

The Department of Labor's Manpower Administration will continue to fund and monitor the programs to assure that Federal standards are met. And all the manpower services authorized by the Manpower Development and Training Act of 1962, the Economic Opportunity Act of 1964, and the Emergency Employment Act of 1971 can still be made available, at the option of the local or State government. These include work experience, public employment, on-the-job and classroom training, and support services.

But the money will no longer be channeled through rigid categorical programs—such as the Neighborhood Youth Corps—into contracts with roughly 10,000 public and nonprofit local sponsors. Instead, most of the money will go in a type of special revenue sharing to about 500 State and local prime sponsors.

The main provisions of the Act are expected to be fully operational by July 1. To illuminate further what this important legislation will mean for job training and employment efforts throughout the Nation, MANPOWER magazine posed a series of questions to William H. Kolberg, Assistant Secretary of Labor for Manpower.

Q. Generally, what is your view of the Comprehensive Employment and Training Act?

A. I'm enthusiastic. For the most part, it reflects the special revenue sharing concept we want. The Act means true decentralization of responsibility and authority to the State and local level. The Manpower Administration will be spending much more of its time on technical assistance, evaluation, and general monitoring, while the States and cities and other prime sponsors do most of the contracting and administration.

We'll also have more time to work with the States to improve the employment service and unemployment insurance operations. We've tried not to neglect these operations over the years, but we have not been able to give them as much attention as they deserved. The employment service has the capacity to make a vital contribution to manpower programs, and we now have underway a variety of efforts to increase the number of job openings listed with the employment service and the number of placements it makes.

Q. Under the Act, most prime sponsors probably will contract with community organizations or local government agencies to carry out the actual day-to-day operation of manpower projects. But the Act does not require prime sponsors to give preference in running manpower programs to any organization, not even the employment service. Why?

A. Prime sponsors must have freedom to select any subcontractor they want to provide jobs, training, vocational education, and other manpower services. We hope, of course, they will use the local employment service and local vocational education agencies. And I think they will if these agencies can do the job. But we don't want to compel any prime sponsor to use any particular organization or agency. The whole philosophy behind the Comprehensive Employment and Training Act is that these kinds of decisions should be made at the local level.

Q. How much leeway will prime sponsors have in spending the money alloted them under the Act? Can money allocated for public employment programs under title II be used for comprehensive manpower services under title I, for example?

A. Yes. And money for special Federal responsibilities under title III can also be used for comprehensive manpower services. On the other hand, money for comprehensive manpower services can be used for public employment. Prime sponsors have a great deal of latitude to fit their resources to their manpower needs.

Q. Up to now, manpower programs have been aimed primarily at the poor and disadvantaged. Will this emphasis continue?

A. I think the whole purpose of the Act is to continue that emphasis. All the way through, you find language giving us the responsibility to make sure that services go to those in greatest need—the economically disadvantaged, the unemployed, the underemployed. The Act calls for Federal manpower funds to be distributed to States and localities on the basis, in part, of unemployment and adult income levels.

We also have the authority on the Federal level to carry out programs for migrants, youth, older workers, offenders, and other target groups which are the most disadvantaged.

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Manpower programs will continue to serve people who can't make it in the job market without some help.

Q. The Act says the Secretary of Labor shall not disallow a prime sponsor's overall spending plan solely because it uses a disproportionate amount of funds for any one program. If you get into high unemployment in a given city and the prime sponsor begins to use large sums for public service employment, do you anticipate any conflict with your emphasis on the disadvantaged?

A. I think the short answer is no. Our experience has been that unemployment falls hardest on the disadvantaged. I think it's possible that a prime sponsor might want to spend all his money on public employment and that it might make sense. We certainly don't want to require that people be put through training for jobs that don't exist. We do have to remember, though, that in dealing with public employment, the Act uses the word transitional. We should view public employment essentially as on-the-job training, a developmental experience that moves a worker through to a regular job in the public sector or out into unsubsidized private employment.

Whatever the prime sponsor decides to do, the process of how he does it is the most important factor. The bill specifies that the sponsor must have in place an advisory body that represents labor, business, the disadvantaged, and all interested groups in the community. He needs to get their views, to publish his plan in the newspaper, and then submit it to the Governor who will also have a State Manpower Services Council to comment on the plan. Then it must be submitted to the Federal Government. So the prime sponsor can't just take his comprehensive plan and put it in place.

Q. Can you require a mayor to consult with community groups?

A. Yes. We have authority to assure that the local advisory bodies are properly representative of community-based groups. Not every community-based group has a right to be on that body, of course. Every community of any size has hundreds of groups. You can't guarantee that every union local, every local Opportunities Industrialization Center (OIC) or Urban League or social welfare organization will have a person on the advisory body. Who goes on will have to be left up to the mayor or whoever the prime sponsor is. But we do have the authority to require that the advisory bodies be representative.

'We mean it when we say we want to decentralize decisionmaking.'

Q. When it comes to actually operating manpower projects at the local level, would you overturn a prime sponsor's decision not to use the OIC, or the Urban League, or a community action agency as a subcontractor?

A. No. We mean it when we say we want to decentralize decisionmaking. What we're after is a locally based, locally developed manpower plan responsive to the problems in that community. And we're not going to second-guess the mayor of a city if he decides either to change the program of a community-based group or to disband it and use those resources on something he thinks will be more effective. Of course, he won't be making these decisions in a vacuum. He'll have the advice of interested and representative members of his community or area.

Q. As a practical matter, then, what do you think will happen to the community action agencies and the local organizations of such groups as the OIC, the Urban League, and SER?

A. It's bound to vary from place to place. In some cases, the community action agencies have become a part of the

city government. In others they have become more and more a part of the community fabric and could be called on to run the programs.

I think the OIC's, SER, and the Urban League will do all right. Up to fiscal year 1974, we funded both organizations in a lump sum under one prime national contract and they parcelled out the money and the work to their local chapters. This year we left it up to the local manpower planning bodies to decide whether they should fund the local organizations. Under this arrangement, 90 out of about 100 OIC's have been continued because the community planning group wanted them. The same is essentially true of the Urban League. So I am confident that community groups that are established and are performing a service will continue.

No one can say what the final outcome will be—and I think that's one of the beauties of the bill. The bill doesn't say to a county executive or a mayor—and we're not going to tell him—what role any group in his community is going to play.

Q. Does that mean there will be no national funding for organizations such as the Urban League?

A. I didn't say that. We can fund technical assistance contracts, for example, and as a matter of fact we have one now with the national OIC in Philadelphia for about $2 million to provide technical services—as it has done in the past—to local OIC's across the country. The Urban League has a similar contract and so does SER, an organization that works primarily with the Spanish-speaking.

Q. What sort of reaction have you gotten so far from the field, from the mayors, governors, and other officials?

A. I think a little bit of background would be useful. We have been working closely with the National Governor's Conference, the National League of Cities, the U.S. Conference of Mayors, the National Association of Counties, and other public interest groups going back 5 years. These groups have been with us in seeking this kind of legislation, and were very, very helpful in getting it passed.

We have also been contracting for some time with the States and cities and counties to set up manpower planning groups to get local officials involved. If my memory serves, we are paying for about 2,100 manpower professionals at the State and local levels now. So we won't willy-nilly be

'We're talking about major units of government and I can't see them evading a major responsibility . . . .'

Labor Dept. photos by James Shea

turning over a major responsibility and money to groups that have never had any background or professional competence. These people are pretty well organized and are quite knowledgeable.

Q. Do you think there will be cases where a community needs a manpower program but local officials won't do anything about it?

A. It's hard to imagine. We're talking about major units of government and I can't see them evading a major responsibility, particularly when the money's available. Ultimately, the Labor Department or the State would take over. But what may happen is this, and frankly I hope it will. The bill tries to encourage, through additional money and influence, as many potential prime sponsors as possible to get together and operate as a consortium. The aim is to have a single manpower program to serve an entire labor market area, because labor markets don't necessarily coincide with political jurisdictions. Under the Act, jurisdictions which form consortia will get 5 percent more money than they would if they operated individually. This should persuade some suburban counties

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' . . . I don't think anyone wants to dismantle Job Corps.'

to link up with central cities and other surrounding suburban areas to develop a single staff and a single program.

Q. This brings up an interesting evolution. Some years back, a lot of people were saying the States should run manpower programs; then the emphasis shifted to the cities. Now it turns out that under the Act counties predominate on the list of eligible prime sponsors.

A. There are more counties than cities on the list. Five years ago, we thought the central city seemed to be the proper unit around which to build a program for a labor market area. But the political realities ruled that out. It's awfully tough to get political entities together on a metropolitan solution to a social problem, and this difficulty is reflected in congressional action. So what we have here is essentially a compromise. We're going to encourage consortia but we are going to be very careful to see that the rights of prime sponsors under the law are respected.

Q. It seems that big cities and heavily populated counties are well taken care of. What will be done for rural areas?

A. We have the mechanism to serve rural people. Generally, the local prime sponsor must be a unit of government with a population of 100,000 or more. We also have authority to continue funding rural Concentrated Employment Programs. And any area not served by a local prime sponsor will be included in a program operated by the State.

Q. Would you comment on the summer youth work program? Will it be a national program, a local option program, or what?

A. You could say it's both. The President's budget includes $300 million earmarked for a summer program in 1974. We've started to put together a good program with funding ready by June 1, 1974. The money for a summer youth program in 1974 is based on the formula in title I of the Act, but we're going to leave it up to the prime sponsor to decide if he wants to spend it that way. In 1975, no specific money will be earmarked for a summer program, but the sponsors will have adequate funds if they wish to carry out one.

Q. What is going to happen to the Job Corps? There has been much loose talk about it and when it was transferred from the Office of Economic Opportunity a few years back, a lot of people thought the Department of Labor was trying to dismantle it.

A. The new Act keeps Job Corps virtually intact. It is one of our better programs. Right now we're decentralizing contract administration to the regions. We don't have any further specific plans for decentralization. But let's look for a moment at a typical residential manpower center in a big city that serves only the immediate metropolitan area. I think we have to ask ourselves, as we put the new manpower system in place, if it continues to make sense to conduct that center separately from the program the mayor is conducting in the same city. Isn't it possible the prime sponsor might want to take over and operate that Job Corps facility? Understand, I am not talking about those large Job Corps centers that draw kids from a multistate or multiregional area.

As for the other point, I don't think anyone wants to dismantle Job Corps. We have been concerned about the efficiency of all manpower programs and we took measures to improve Job Corps to the point where the placement rate is inching up to 90 percent. We want to improve placements and dropout rates in all programs. We can't

have projects that cost $10,000 to $15,000 per placement. In the last year, we've cut out $100 million worth of projects from all Manpower Administration programs.

Q. Besides Job Corps, what other national programs will be retained?

A. That depends on the money. The Act permits us to keep about 20 or 22 percent for special Federal programs. Out of that, however, we have to fund Job Corps and certain percentages are pinned down for programs for migrants and Indians. We also have to take care of technical assistance, labor market information, and research and development. So we don't have too much to play with.

For the upcoming year, I foresee a modest national program for older workers on the order of the national Operation Mainstream program we've been conducting. Apprenticeship Outreach will continue as a national priority program at about the same level as now, and local chapters of organizations such as the Urban League will continue to receive funds under the national contract to run Outreach programs on the local level. We'll keep going with certain on-the-job training programs we now have with unions and trade associations. As for the Job Opportunities in the Business Sector (JOBS) Program, we want to continue to fund the metropolitan staff structures it has established around the country so they can keep soliciting training slots for the disadvantaged from employers. They can also act as advisory bodies to prime sponsors. But they will go to local prime sponsors for program money.

Q. How do you think a prime sponsor, say a mayor, is going to react to your funding an Apprenticeship Outreach project in his community but outside his control?

A. I don't foresee much trouble. Prime sponsors in those cities will be informed as to our plans and they'll be given a chance to comment on any Outreach project up for funding.

Q. What will happen if some prime sponsors, who have a great deal of flexibility and freedom, start conducting inefficient and high-cost programs?

A. Some mistakes are inevitable in such a large program, particularly at the outset. But I think the law is adequate on that point. We have the authority to correct undue overhead and administrative costs. Prime sponsors will be required to report quarterly and annually on finances and performance. We have Federal standards for grant-in-aid programs and these will be met. To help avert inefficient operations, we have plans for extensive technical assistance programs to be conducted by the Manpower Administration regional offices for prime sponsors. Training sessions currently are in the works.

Q. Will the new Act have any impact on the Work Incentive (WIN) Program?

A. Not much, the way things have worked out. WIN is for welfare clients and remains a part of the Social Security Act. It will continue, on the local level, to be operated by the welfare agencies and the employment service. The welfare agency refers clients to the employment service for job placement. For some time now the emphasis in WIN has been on recruiting the most job-ready welfare recipients and placing them in jobs as quickly as possible. That will continue to be the case.

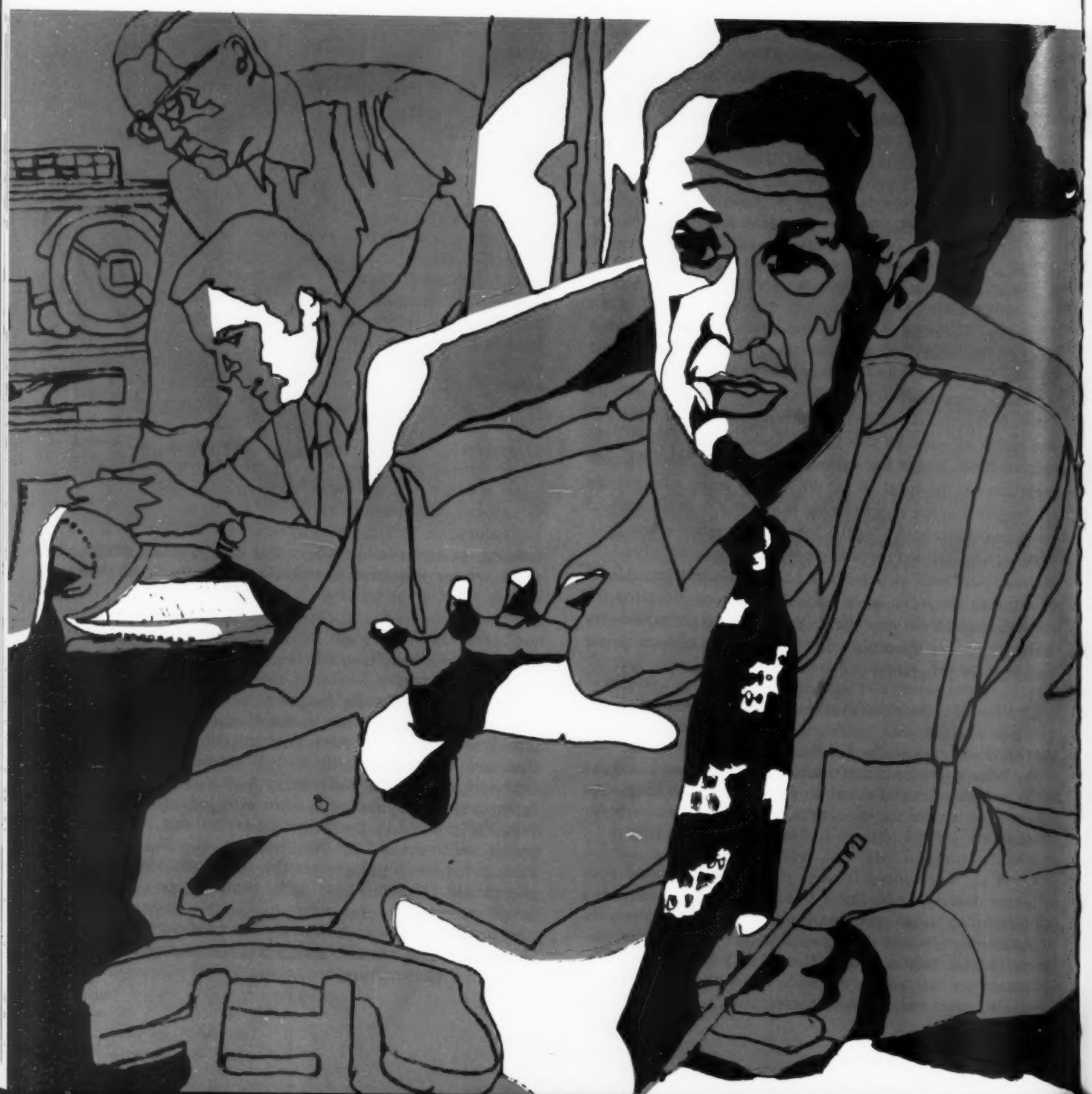
We are working on plans now that will enable the employment service to make a really intensive 2-week effort to find jobs for welfare clients. Clients who need some training first will be able to get it from the employment service in communities where the new prime sponsor has contracted with the employment service to provide job training. In communities where that isn't true, the employment service will have to refer these clients to whatever agency is doing the training.

Q. The legislation calls for a National Commission for Manpower Policy. How will this body differ from the old National Manpower Advisory Committee?

A. The old Committee has no permanent staff and pretty well confined its attention to the Manpower Development and Training Act and other programs administered by us. The new Commission will have 17 members: Six cabinet members including the Secretary of Labor, and the rest representing labor, industry, commerce, education, elected officials involved in manpower programs, and the general public, all appointed by the President. It will have more clout and a broader range than the old Committee. The Act specifically gives it authority to study all major Federal programs relating to manpower, inside and outside the Department of Labor, to identify the manpower goals and the needs of the country, and to make recommendations to Congress. The old Committee never had a mandate like that. □

Lessons For Prime Sponsors

by James Sawyer



Study Seeks to Identify Needs for Successful Local Manpower Planning

What are the critical needs for developing and running manpower programs at State and local levels?

During the era when manpower programs were planned and administered from Washington, that question was largely irrelevant. There was little opportunity or need for the staffs of city halls, county courthouses, or State capitols to gain planning or management expertise in the manpower field. However, as programs have become decentralized—first by administrative decisions in Washington, and then under the recently enacted Comprehensive Employment and Training Act (CETA)—new actors are taking over the lead rolls on the manpower scene. This has generated a nationwide market for knowledge of those factors which, for better or worse, may affect creation of manpower programs under local prime sponsorship.

To uncover such information, the Manpower Administration sponsored a study—*An Assessment of the Objectives and Performance of a Model State and Local Planning System*—by the Human Resources Institute of the University of Utah. For a number of reasons, including that of juxtaposition, much of the study was devoted to Utah's manpower planning experience. Utah's Manpower Planning Council has been in continuous operation longer than any other body of its kind in the Nation. Also, the Manpower Administration in 1973 designated Utah as one of nine testing grounds for pilot comprehensive manpower programs (CMP's).

Eight other areas with a reputation for making notable progress in manpower planning were included in the Institute study. Like Utah, three were pilot CMP's—Albuquerque-Bernalillo County, N. Mex.; Miami-Dade County, Fla.; and Seattle. Completing the list of areas studied by the Institute were the States of North Carolina and Washington; New York's Suffolk County; and the metropolitan areas of Dallas-Fort Worth and Baltimore.

The study, which was done before CETA was enacted last December, found manpower programs in various stages of emerging from old methods of funding, administration, and policy control. Although CETA has changed the ground rules for the delivery of manpower services, the experiences in sites studied by the Institute turned up many considerations which manpower planners still will have to take into account.

Success Factors Listed

In the nine jurisdictions, the study found that the major determinants of success in manpower planning were support from high level, elected officials; clout; participation by agency administrators; labor market planning scope; management through budget; development of new planning competencies; and disinvolvement from delivery of services.

• *Support from high level, elected officials:*

Over the past decade, experience in manpower programs has amply demonstrated the needs for multijurisdictional and interagency cooperation and coordination. But this has been difficult to accomplish. One of the first attempts to do so—the Cooperative Area Manpower Planning System (CAMPS)—showed that autonomous governments and agencies would not voluntarily subject themselves to the jurisdiction of peers, nor were the old-line agencies in CAMPS innately sensitive to a community consensus affecting manpower policy.

Funding patterns, of course, have a lot to do with who cooperates with whom, and why. Before the Federal Government began implementing the long-sought decategorization and decentralization of manpower programs, manpower agencies could circumvent a jurisdiction's planning initiatives by dealing directly with Federal agencies. Unless some superior authority was exerted, it was not possible to coordinate programs, reallocate funds and staff, shift priorities among target groups, alter agency responsibilities, and make other major changes in the status quo.

The Governor of Utah dealt with these problems by lending strong support to the efforts of his staff to bring manpower planning under State legislative and gubernatorial control. This backing was given even though potential political gain from improved manpower programs is limited by their remedial nature and their emphasis on target groups without strong political cohesion and power.

Thanks to gubernatorial support, the Utah Legislature passed the Manpower Act of 1969 despite opposition from some key State agencies. The Act created a Manpower Planning Council and designated it the primary manpower planning organization for the State. Its responsibilities are: Formulation of manpower goals and objectives; preparation of a comprehensive State manpower plan which defines agency roles and allocates available resources; evaluation of plans, budgets, and delivery systems of relevant State agencies; approval of proposals and modifications of manpower programs; and review of all applications for Federal funds wherever there is State involvement. (The council's

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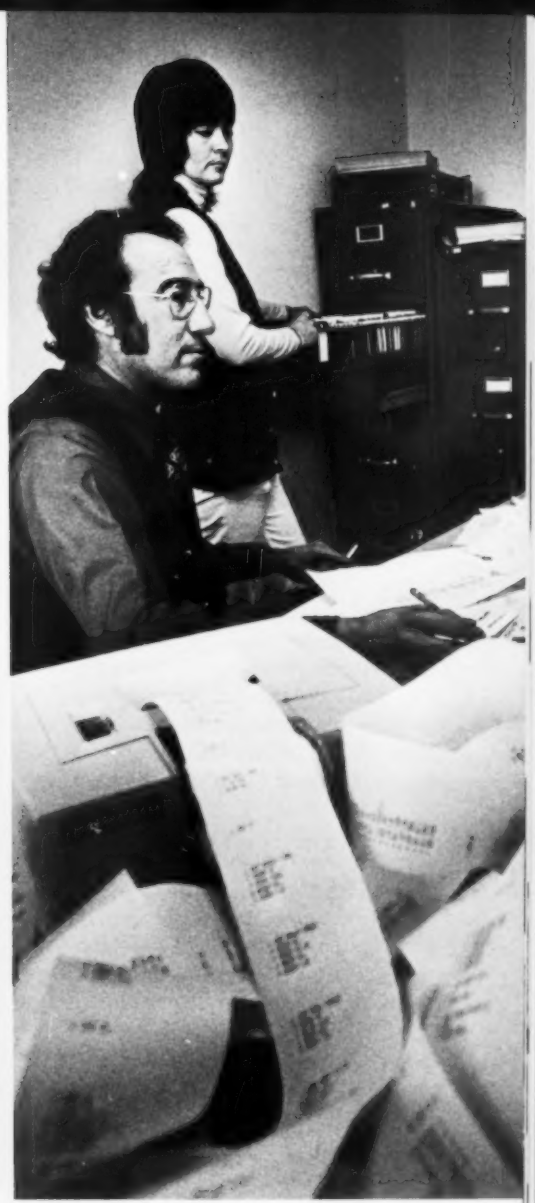
Prime Sponsors

In Albuquerque-Bernalillo County, which had the Nation's first pilot comprehensive manpower program, the Manpower Area Planning Council shares review and approval of the area's annual manpower plan with the city and county commissioners. The council, shown in open session, is a citizens' group, and at least a third of its 18 members must be current or recent clients of manpower programs or reflect interests of the low-income community. Most of the audience is from the Office of Manpower Programs, which gives staff support to the council and operates the area's manpower programs directly or through subcontracts.

Under the pilot comprehensive manpower program, many people in the Albuquerque-Bernalillo County area shared in the decision to fund this project at the University of New Mexico. The project trains disadvantaged workers as counseling aides for people in low-income neighborhoods who have alcohol, drug, mental health, and other problems. The decision to fund the program was made by the Manpower Area Planning Council and city and county commissioners, backed by technical support from the Office of Manpower Programs.

Albuquerque's Office of Manpower Programs (OMP) contracts with the employment service to operate neighborhood manpower service centers. Discussing the centers are (from left) David Rusk, OMP director; David Baca, employment service metro director; Chris Montano, OMP deputy director; and Shirley Harris, OMP manpower operations specialist.



Budget analyses enable manpower planners to identify productive programs. In Albuquerque's Office of Manpower Programs, Lionel Rael, fiscal manager, and Henrietta Montoya go over program accounts to prepare for the agency's midyear review, an evaluation process that could lead to shifts in funds from program to program.

membership and role are much like those of the State Manpower Services Councils that are being set up under CETA.)

Of the 19 members on Utah's Manpower Planning Council, three (including the council chairman) are at-large appointments made by the Governor. Eleven members—top administrators of key State programs affecting manpower policy—are designated by State law. One of the designated members is the State Planning Coordinator, a member of the Governor's staff whose office provides technical assistance for a broad array of policy and planning issues. This official was made executive director of the council. The law also specifies that the Governor appoint five members to represent these categories: The State Senate and House; business; organized labor; and minority groups.

There was another attempt by the Utah Legislature in 1969 to link manpower programs. This was the Federal Assistance Management Act, which set out measures for coordinating and clearing through the Governor's office all proposals by State agencies for Federal grant-in-aid assistance. The State Planning Coordinator was assigned gubernatorial responsibilities under the law, thus bringing together in the same office important manpower functions under two new iegislative mandates.

Gubernatorial support of manpower reform also brought the State the prime sponsorship of manpower programs when Utah was designated a pilot CMP.

At most other sites in the study, elected officials also helped bring about manpower program innovations, coordination, and decentralized decisionmaking.

In Albuquerque and surrounding Bernalillo County, city and county commissioners have been deeply involved in modernizing manpower systems for the past few years. In 1971, the city and county enacted a joint powers agreement setting up an Office of Manpower Programs (OMP) to act as a planning and programing body under city administration. Both the city and county commissions have authority for final approval of the annual manpower plan developed by this office.

Important products of these alignments were strong support for Federal funding of Albuquerque-Bernalillo County as the Nation's first pilot CMP and the delegation to OMP's purview of most federally funded manpower programs in the area.

Staff Services Provided

In Baltimore, the mayor presides over the manpower development activities of the entire metropolitan area as chairman of the Metropolitan Area Planning Council (MAPC). The mayor's Office of Manpower Resources provides all of the council's staff services and has administered some of the pre-CETA manpower programs such as the Concentrated Employment Program (CEP) and Operation Mainstream.

The role of elected officials in the Dallas-Fort Worth Council of Governments is somewhat different than in other jurisdictions in the study. It is consistent with the character of the council-manager form of government, which is prevalent in Texas. Elected officials generally do not participate in manpower policy formulation. They review policy direction during approval of the annual manpower plan for their jurisdiction.

A driving force behind manpower policymaking for the Dallas-Fort Worth area is the staff of the North Central Texas Council of Governments, which links 16 counties, Dallas and Fort Worth, and 118 smaller cities. The council staff draws strength from a Texas tradition that favors multijurisdictional cooperation and regional planning.

- *Clout:*

Webster defines clout as "to give a blow to; to strike." Applied to public policy in the manpower area, the force needed is not physical, but must be felt nevertheless. Clout is important to implement planning; otherwise, planning becomes a sterile exercise carried out by the powerless.

The study sites differed greatly in the kinds and degree of clout they had, and in the way they exerted it. In some, the clout came from control of funding conduits; in others, there was reliance on the competence of planning staffs to deal with complex issues. Utah's chief sources of clout—in order of increasing power—have been the State laws that set up a manpower council and gave the Governor power of review over Federal grant-in-aid proposals; Federal revenue sharing initiatives which gave State and area-wide bodies an opportunity to review and comment on proposed manpower programs; and program prime sponsorship.

After passage of State legislation, which strengthened his hand in the manpower arena, Utah's Governor asked Federal manpower agencies to require that proposals for assistance from Utah agencies have gubernatorial concurrence. He also notified the State agencies that, henceforth, their plans were subject to Manpower Planning Council review. Meanwhile, the State Planning Coordinator began to build a multidisciplinary staff to support him in his job as the council's executive direc-

Manpower planning has received high priority at the top level in Utah, which has the Nation's first State Manpower Planning Council created by State law. Utah Governor Calvin L. Rampton (left) meets with Burton Carlson (standing), State planning coordinator and executive director of the Manpower Planning Council, and Michael Kirkham, council deputy director and head of Utah's Office of Manpower Affairs.

The local planning staff that is responsible for projects in Salt Lake under Utah's pilot comprehensive manpower program goes over the mix of services available to the disadvantaged. Phillip Glen, director of Salt Lake's manpower office, is at the blackboard. A number of staff members had previous experience in manpower programs, and some have master's degrees in manpower administration from the University of Utah.

tor. Some of the funds for this purpose came from a U.S. Department of Labor research and development grant.

Agency heads greeted the new procedures with concern. They viewed their annual review and renegotiation of contracts and the funding of programs as a routine exercise which they had been delegating to division chiefs. They thought the new requirements jeopardized the funding process by delaying submission of routine paperwork to Federal agencies, were needless red tape, and would result in loss by the State of important manpower monies.

Gains and Failures

Review and clearance issues often dominated Manpower Planning Council meetings in the first year. Agency heads were grilled on the policy implications of their proposals by the council's chairman and by its executive director, both of whom supported gubernatorial efforts to coordinate manpower programs. In the background, the planning staff serving the council contended with agency staffs when it sought information on their agencies' activities and planning practices.

Agency workers were accused of sheltering programs by withholding programmatic data from the planning process. The planning staff, in turn, was criticized for its analytic emphasis and its lack of program knowledge. Frequently, the planners attached modifications to agency proposals—such as the coordination of categorical programs—as conditions for winning the Governor's concurrence. This frustrated agency workers who could not bring about such changes within their single jurisdictions.

As the Planning Council staff looked back, they found both gains and failures.

On the plus side, they had gained agency compliance with new clearance and review procedures; they had learned to wend their way through the complexities of manpower programs and policies; and they had begun to use program evaluation as an instrument of planning.

Still, the planners had wielded influence only at the margins of program activity. They had learned that, in spite of aggressive gubernatorial leadership, agency inertia in planning and programing was most difficult to change from the outside.

During the second year, the State Planning Office increased its use of persuasion as a means of getting the council's business out of the operational bog in which it was mired. Employed as an extension of legal and administrative controls, persuasion, too, had some clout. It helped to bring about major administrative reorganizations which upgraded the status of manpower issues and improved manpower planning functions in two of the council's member agencies.

Potentially, competitive contracting is another form of clout. It was considered in Utah, but not used, to carry out proposals under review by the Manpower Planning Council. The idea floundered mostly because the State Board for Higher Education threatened to keep its member institutions from bidding against each other. The right to select institutions within its system to receive manpower contracts was an agency rather than a council function, the board said. Further, it argued that competitive bidding—in this case for a skills center contract—would create an

Prime Sponsors

Some Albuquerque manpower trainees are taught electronic assembly at the local skills center (right), while others learn on-the-job at places like the Singer-Friden plant (below). Auto repair is among the courses offered at the Salt Lake skills center, which is part of Utah Technical College. These are only a few of the types of training options prime sponsors throughout the Nation will have to consider and evaluate in setting up their own comprehensive manpower programs.

Photos by Eduardo Latour

unstable environment which would be detrimental to manpower clients. The council staff also decided not to back the idea because it felt there were too many possible costs involved in frequent sponsor realignments related to reconstructing staff and facilities.

Prime sponsorship is considered the ultimate source of clout. It gives the planning authority the most power to specify who is served, with what services, and by which institutions. As prime sponsor of the statewide pilot CMP, Utah's Governor delegated most of the responsibility for planning and program implementation to multicounty associations of government in seven planning districts which he had set up a year earlier.

The State planning staff was made responsible for providing statistical data and technical assistance and for combining district plans into a comprehensive plan for the State. Under the CMP, district plans were not altered, however, without thorough consultation with local officials.

This localization of plans and programs brought some changes on the manpower scene. Although the program mix and service delivery system were much like those of the previous year, there were notable exceptions. Recruiting of trainees in one district was contracted out to Utah State University's extension division rather than to the State employment service. There was much competition among educational institutions to provide manpower services in another district. Across the State, the formation of classroom-sized projects was virtually phased out of existence in favor of sending clients to existing training on an individual referral basis. In Salt Lake City, the SER program—which is aimed primarily at the Spanish-speaking—was refunded at a greatly reduced level.

In Suffolk County, N.Y., the State Department of Labor has emphasized comprehensive manpower planning and programing for some time. Last year it got a boost in these efforts with an operational planning grant from the U.S. Department of Labor.

Gesture of Cooperation

Clout, county officials said, is a product of "knowing your subject." They pointed out, however, that the county labor department was prime sponsor for the federally funded Neighborhood Youth Corps, on-the-job training, Public Service Careers, and Public Employment Programs. In addition, local manpower programs have benefited from the department's role as a labor arbitration service and county licensing authority, Suffolk officials told an Institute researcher. Businesses often accept manpower client referrals as a gesture of cooperation for departmental assistance

in settling collective bargaining disputes, these officials said. Similarly, occupational licensing is another service to local business which is a point of leverage when help is needed to implement manpower policies.

In the Miami-Dade County CMP, manpower planners said their clout came more from administrative competence, informational skills, and persuasion than from direct controls.

There is no distinct community power structure in the area. As a result, manpower policy is shaped by a broad and diverse constituency which includes elected officials, business interests, minority group representatives, and manpower program sponsors and administrators.

Minority and client participation, however, is potent in the CMP. Competition between black and Spanish-speaking interests, fueled by the substantial in-migration of Mexicans, Puerto Ricans, and Cubans, has focused attention on the equitable distribution of assistance among these groups.

Much of the business interest in manpower programs hinges on the high demand for service workers growing out of the heavy tourist trade in Miami, the planners said.

• *Participation by agency administrators:*

When institutional reforms are needed to implement manpower plans, it is essential that agency representatives on planning councils be administrators at a decisionmaking level rather than on lower echelons. Otherwise, there will be endless negotiations to reach policy positions which affect agencies. Subordinate personnel are adequate, however, when the main objective of planning is interagency coordination.

Among the sites studied, only Utah strongly sought institutional reforms. Some of the conflicts that surfaced during attempts to change certain agency practices in Utah were resolved by trade-offs among top agency executives on the State Manpower Planning Council. Moreover, the participation by these administrators in council meetings made them aware that they were too dependent on subordinates for manpower program planning and policies. This provoked administrative reorganizations which lifted manpower concerns to top agency levels.

At other study sites, the emphasis was more on modification or coordination of agency functions than on reform.

Council Reviews Plan

In Albuquerque-Bernalillo County, the Manpower Area Planning Council (MAPC), shares review and approval of the area's annual manpower plan with the city and county commissions. The MAPC is structured as a citizens' council. Although some of its 18 members have an agency affiliation, they do not represent these agencies. At least a third of the members are current or recent clients of manpower programs or reflect the interests of the low-income community.

The membership of the North Carolina Manpower Council is chosen by the Governor from the public sector and has no agency representation. The chairman, for example, is a prominent politician and financier. The council, set up by the State Legislature in 1971, was spawned in part by frustrations with an ineffective, agency-dominated Cooperative Area Manpower Planning System (CAMPS). Acting on the Governor's instructions, it has developed its own manpower plans and sought to modify Federal grant-in-aid funding patterns which prevailed before enactment of CETA.

The council and its staff have grown in prestige within the State as they have grown in expertise. The council reports to the Governor's office, which follows up on its recommendations as necessary with agency policymakers.

• *Labor market planning scope:*

Most of the local sites in the Institute study extended the scope of their planning beyond single jurisdictions to permit a broad labor market perspective. Some of the diverse elements they incorporated in these multijurisdictional plans were: Projections of occupational demand and supply by labor market area; economic development assessments; area transportation schemes; and other concerns which recognized the interrelationship between employability programs and an entire labor market in which training and jobs are available.

In Baltimore, the mayor's Office of Manpower Resources has developed a manpower plan that identifies broad goals for the city and five contiguous metropolitan counties. These goals are: Improvement of educational and skill levels to decrease dependency and to assist in the region's economic development; improvement in the quality of available public services; and improvement of services to the disadvantaged.

Reflecting these interests, the manpower office successfully proposed changes in public transit routes and schedules to meet needs of low-income persons. It also produced a skill shortages guide for area workers and students.

Albuquerque's interlocking concern for manpower and economic development focuses on selectively attracting industries to the area so that they can

help solve rather than intensify the metropolitan area's poverty problems.

Labor market planning in the Miami-Dade CMP has covered such matters as the best location for new vocational and technical schools.

The need to link manpower programs with labor market issues was particularly evident in rural Utah. The State's rural communities are burdened by underemployment. They see economic development—attracting and holding new businesses which will generate jobs and income—as a major need. In this setting, manpower training is an integral part of economic development planning because it upgrades the labor force and makes it more attractive to potential employers. But apart from a few planning staff probes, economic development issues have not been part of the dialogue carried on by the Utah Manpower Planning Council and its planning staff.

• *Management through the budget:*

Manpower planners typically have approached their tasks by defining the universe of need, then designing programs to impact on that need. This method is fundamental in the search for new ways to deal with manpower problems. However, as the availability of program money spurs the development of many different manpower options, planners must begin making choices. Often, they choose somewhat subjectively and on the basis of limited cost and performance data. In nontechnical terms, they often make informed guesses.

Budget analyses and control make it possible for manpower planning staff and decisionmaking bodies to identify the programs which do the best job for the lowest cost. It requires a planning staff ability to determine accurately the characteristics of client groups to be served, services to be provided, and the cost of each unit of service delivered. Postenrollment indicators of client income and employability also are important in measuring the relative value of service alternatives.

In Utah, the release of information on client characteristics, programs, and budgets was a condition of subcontracts with program operators, and the information was used for cost effectiveness analyses. However, this was the only jurisdiction of the nine studied which utilized an operational system for cost-effectiveness analysis.

Planners who deal with small segments of manpower services find it hard to get satisfactory data to use in such a management-through-budget approach. The prime sponsorships spawned by the new manpower legislation should give planners access to data of the quantity and quality this method requires.

• *Development of new planning competencies:*

Manpower planners come from many different fields. They are economists, political scientists, social workers, systems engineers, and sometimes literature majors. Generally, they have not been specifically trained for their jobs, partly because agreement on the very definition of manpower planning has not been apparent. Some specific technologies, however, are emerging within the field, and some manpower planners are beginning to acquire these competencies. Observation at the sites of the Institute study pointed to some specific tools needed by today's manpower planner.

First, the planner must be able to establish strategies for the allocation of funds in the areas to be served. Presuming that service will be based on needs, he must be able to collect certain labor market and demographic data indicating the extent of manpower disability in the population, and recommend allocation formulae to elected officials, based upon the distribution of these factors. Also, he must obtain demand and supply projections of labor by occupational and industrial classifications.

Next, he must determine the quantities in which manpower services should be offered, using his knowledge of labor market openings, client and occupational characteristics, and the state of the economy. Then he must be able to select the optimal mix of services, decide on service sequences, develop yardsticks to measure program performance, and use the findings in future planning.

Jurisdictions in the study were interested in developing these competencies. Some were building occupational accessibility models, while others were becoming sophisticated in creating models for the allocation of manpower funds.

• *Disinvolvement from delivery of services:*

Only three of the jurisdictions in the study have been involved in program operation. But there were none that placed manpower planning functions under the control of an operating agency. This freed their planning staffs both from agency loyalties and from being drawn into such work as writing curricula, acquiring counselors, and other operating details.

With all of the great variations that now are possible in manpower programs, the planning lessons that were learned in the Institute study may not be universally applicable to all States and localities. But they point the way to an emerging "code of best practice" which will be a guide to sound program formulation and planning staff development. □

News&Notes

The Census Bureau has increased by 1.5 million its estimate of the number of people of Spanish origin in the United States. On the basis of a survey made in March 1973, 10.6 million persons reported Mexican, Puerto Rican, Cuban, or other Spanish backgrounds, the Census Bureau said, compared with 9.1 million in the 1970 decennial census. The increase between 1970 and 1973 was due to natural population growth and improved survey techniques, a Census Bureau official said.

* * *

Two trainees at the Camden (N.J.) Manpower Development and Training Act (MDTA) Center may get a patent for a safety interlock unit they developed for drill presses, lathes, and similar machines. Thomas Elwell and William Lorenz, who have consulted a patent attorney about their device, developed the safety interlock after a class discussion on safety precautions needed with a drill press and other equipment. The class decided that there should be a chuck-locking feature on the machinery to prevent serious accidents. The instructor knew of no stock item that could be used for this purpose and asked Elwell and Lorenz, who had expressed some ideas on the subject, to develop a workable unit. Their interlock not only prevents equipment from being started unless the chuck key is in its proper place, but also prevents the loss of chuck keys.

* * *

About 300 jobless or underemployed persons will get jobs as trailer truckdrivers under an $847,000 Manpower Administration contract with the Teamsters Union. Recruiting will be done in New York, New Jersey, and Pennsylvania, with preference going to Vietnam-era veterans, the disadvantaged, and minority group members. Participants will receive their initial instruction at a union-operated training center near Scranton, Pa., and then will get on-the-job training. All who successfully complete the program will be guaranteed jobs by the union or the employers who are participating in the project. The jobs will pay about $5.50 an hour.

* * *

Navajo medicine men are giving a boost to a U.S. Department of Health, Education, and Welfare project to encourage Navajo women to enter nurse training. The medicine men are helping to plan the project and will help advance student understanding of the curriculum's psychiatric component. The project, being carried out with HEW funds by the associate degree nursing program at Navajo Community College, Many Farms, Ariz., will prepare recruitment materials in the Navajo language and will develop an experimental, cross-cultural approach to nursing education.

* * *

Work may be the key to longevity. A Veterans Administration study indicates that people who continue to work live longer. A feeling of being needed is important to continued existence, according to Dr. Roy M. Hamlin, a research psychologist at the Veterans Administration Hospital in Danville, Ill. "If an older individual has a need for the years beyond 70, he will retain competence and live longer," Hamlin said.

* * *

Nearly three-quarters of all Job Corps enrollees leaving the residential training centers between July and September were placed in jobs--a record high placement rate in the Corps' 7-year history. Of all those leaving the centers during the 3-month period, 72 percent were placed in jobs with an average hourly starting wage of $2.21, 17 percent returned to school, and 4 percent enlisted in the Armed Forces. After leaving Job Corps, participants are helped to find jobs by the State employment service system. Volunteers in two organizations--Joint Action in Community Service (JACS) and Women in Community Service (WICS)--provide supportive followup services to help these young people stay on the job.

* * *

If they miss work because of measles, mumps, chicken pox, or other children's diseases, New York City teachers don't have to use their sick leave. Occupational hazard, no doubt.

* * *

Some Belgian workers who take night courses to upgrade their qualifications get compensatory paid leave from their jobs. Full-time wage or salary workers under age 40 who have been taking courses more than 2 years get time off equivalent to that spent

in class. Workers in their second year of study get paid leave from work for half their class time. No time off is given for the first year of study. Employers and the government share the cost of the paid leave equally.

* * *

More than 1,550 jobless or underemployed persons in 12 Appalachian States will receive on-the-job training with help from the AFL-CIO Appalachian Council. Under a 1-year $1.3 million contract with the Manpower Administration, the Council will develop subcontracts to hire and train about 1,160 unemployed persons. The remaining 390 training opportunities are for low-paid workers who need to have their skills upgraded on the job. The Council is a cooperative effort of AFL-CIO organizations to aid in the economic development of Appalachia by working with employers to create job opportunities. Under its combined previous contracts with the Manpower Administration, the Council has placed more than 13,000 workers in jobs.

* * *

The U.S. Department of Health, Education, and Welfare (HEW) estimates that there were about 800 formally trained physician assistants in the U.S. as of last July. That is about twice as many as there were the year before. This fiscal year about 1,900 people are training as physician assistants in programs funded by HEW, the agency says. An estimated 700 physician assistants will have graduated from HEW-supported programs by the end of this fiscal year, compared with about 300 in fiscal year 1973.

* * *

Three teenage policemen hired by the Silver City, N. Mex. police force after city officials lowered the minimum age limit from 21 to 18 are working out well. Police Chief Thomas Ryan said the three young men are "very good officers" and have been particularly effective in dealing with young people.

* * *

Changes in 52 sex-stereotyped job titles have been adopted in the U.S. Census Bureau's Occupational Classifications System. The changes were recommended by the Federal Interagency Committee on Occupational Classification. The suffix "men" has been dropped from most of the occupational titles, and replaced by "worker" or "operator." The title for the major group, craftsmen and kindred workers, has been changed to craft and kindred workers.

* * *

More than 430 workers 45 years old and over will receive on-the-job training in 24 States under a 1-year, $250,000 Manpower Administration contract with Green Thumb. Subcontracts will be developed by Green Thumb with public and private employers to hire and train older workers particularly disadvantaged because they lack job skills and also live in rural areas having little or no industry. Occupations will include landscaping, groundskeeping, carpentry, and other jobs, depending on local community needs. Green Thumb, a subsidiary nonprofit corporation founded by the National Farmers Union (NFU), has trained and placed in jobs more than 1,650 older workers under five previous on-the-job training contracts.

* * *

The German Trade Union Federation reports an increase of 6 percent in the number of women members.

* * *

A substantial increase is expected in job openings in business and industry for women graduating from college this spring, according to Frank S. Endicott, director emeritus of placement at Northwestern University. More than two-thirds of the 196 companies surveyed indicated they planned to hire 54 percent more women graduates in 1974 than in 1973. This would bring the ratio of women to men graduates hired by these firms to 1 to 4, compared with 1 to 9 five years ago.

* * *

The U.S. Department of Health, Education, and Welfare is encouraging recently graduated physicians, dentists, and other health professionals to practice in areas with a shortage of such professionals by offering to repay part of the funds they borrowed for their professional education. Graduates who accept the offer go on duty for 2 or 3 years with the National Health Service Corps as commissioned officers. For 2 years of service, the Government will repay 60 percent of the loan principal (plus interest as it falls due) outstanding at the beginning of the service period. For a third year of service, an additional 25 percent is repaid. The loan, which must have been applied toward the cost of professional education, could have been obtained from any source, including a borrower's parents.

* * *

Linda Kay Anglin was merely following a family tradition when she decided to take up the same trade as her husband, her father, and her father-in-law. But it is a tradition usually associated with men--they are ironworkers. Now, after taking the mechanical aptitude tests with seven aspiring men apprentices, only one of whom passed, Mrs. Anglin is an ironworker apprentice at the U.S. Department of Transportation's High Speed Ground Test Center near Pueblo, Colo. Mrs. Anglin, who is three-fourths Cherokee Indian, says the work is hard, but "you get used to the scratches and cuts and bruises."

Study Urges Greater Emphasis on Followup in Outreach Program

The Department of Labor began funding the Apprenticeship Outreach Program in late 1967, and by the end of fiscal 1973 had moved about 23,000 minority youth into apprenticeship training via this route.

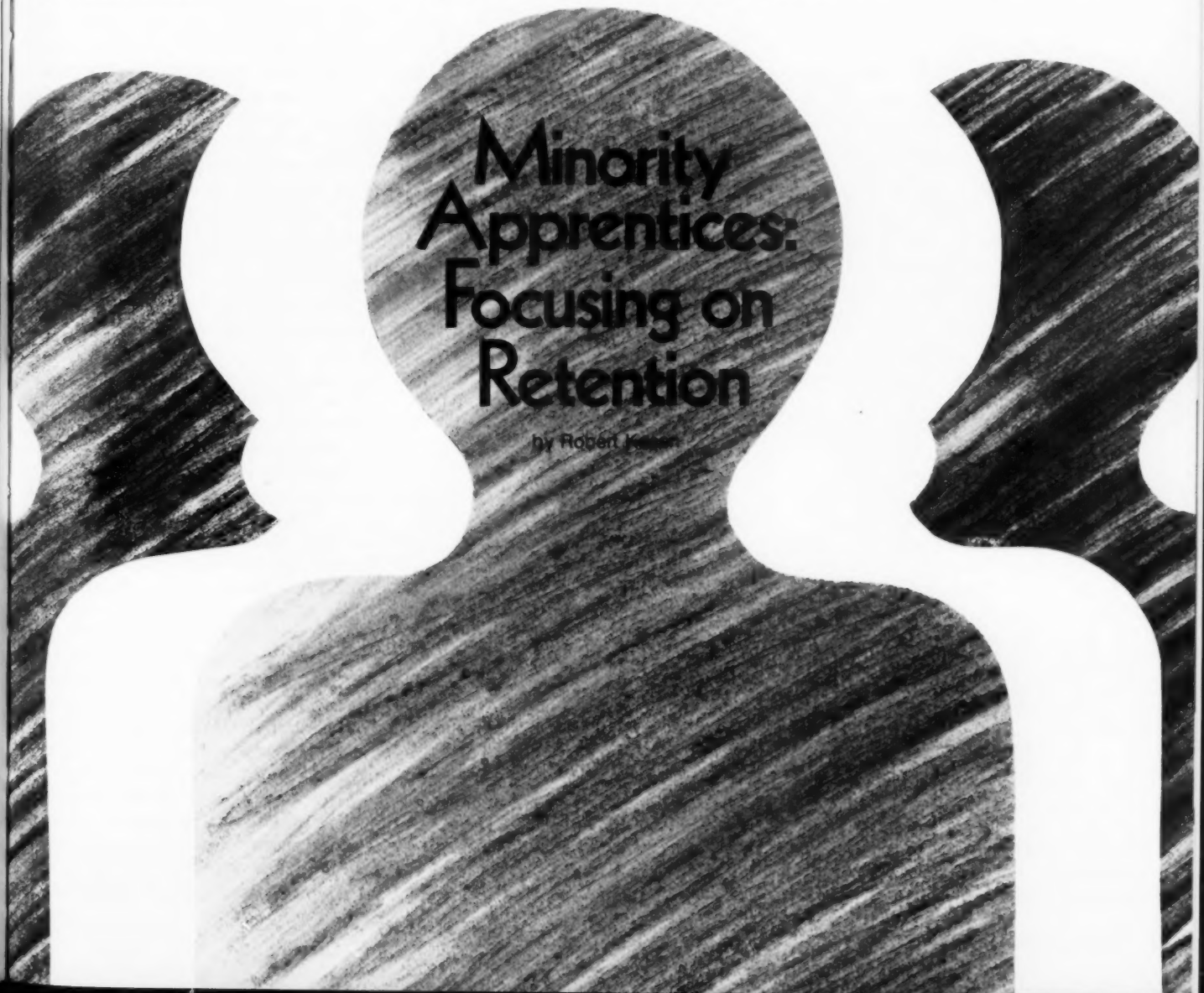
This joint effort by the Federal Government, organized labor, and human rights groups to break down barriers for minorities seeking to enter the high-paying apprenticeable crafts has had some measurable impact. By the end of calendar year 1972, the number of minorities in apprenticeship programs registered with the Manpower Administration rose to 14.4 percent, compared with only 6 percent at the end of 1967.

But there is important new evidence that the program needs to be strengthened. Outreach as presently constituted does a good job of recruiting minorities and getting them into the trades, but has not been provided resources for keeping them in training until they become journeymen.

This is one of the observations of a new study, *Improving the Retention Rate of Indentured Apprentices Placed by Apprenticeship Outreach Programs*,[1] completed in May by Brandeis University. The study found that among the many reasons minority apprentices drop out, three predominate: Discrimination because of race; customs and traditions of the industry; and on-the-job problems that are unique to

Robert Kasen is a freelance writer.

[1] The study is available from the National Technical Information Service, Operations Division, 5285 Port Royal Rd., Springfield, Va. 22151 for $3 for a paper copy and $1.45 for microfiche (specify accession number PB 221245). Please enclose payment with order.



Minority Apprentices

the construction industry (such as constant shifting of jobsites and supervisors).

The author of the study, Dennis Derryck, concedes there are few reliable data on the dropout rate of apprentices placed through Outreach. A 1970 study of Manpower Administration-funded Outreach projects by the Boise Cascade Center for Community Development showed a dropout rate of 48 percent. But all these projects were less than 3 years old, and apprenticeship lasts 3 to 5 years. So the total who dropped out before making journeymen is not known. A recent study of apprenticeship in Wisconsin, which is considered to have one of the best programs in the Nation, showed that slightly more than half of all apprentices failed to complete their training (in line with the national rate for all apprentices).

Failure to complete apprenticeship is a particularly serious matter for minorities, the Brandeis study argues. Apprentices placed through Outreach usually are selected carefully, and their recruitment and preapprenticeship training involve the expenditure of Federal funds. Also, the study points out, minorities have had fewer opportunities to enter apprenticeship than whites and have fewer alternative paths to good jobs in the construction industry.

The study calls for greater emphasis on retention. It recommends strengthening Outreach organizations so they can become more effective advocates for minority apprentices once they are on the job, instead of devoting nearly all their efforts to recruiting minorities and preparing them for apprenticeship. And it urges that a broader spectrum of people share responsibility for the apprentice's education and training. This responsibility now rests mostly with the coordinator of the Joint Apprenticeship Committee, a local body governing apprenticeship and usually consisting of representatives of labor and industry.

The study also suggests permitting dropouts to reenter the program, requiring minority apprentices to attend union meetings, raising apprentice wages in areas where they are low, and active enforcement of laws barring job discrimination.

Under the Apprenticeship Outreach Program, the Manpower Administration awards contracts to local sponsors to establish a personalized tutoring organization to assist minority youth in preparing for specific apprenticeship examinations. Courses run 4 to 12 weeks, depending on the type of entry test to be given and trainee needs. By 1973, 117 local projects were being operated by such sponsors as the Urban League, local AFL-CIO Building and Construction Trades Councils, and the Recruiting and Training Program (formerly Workers' Defense League).

Coordinators Interviewed

The purpose of the Brandeis study was to specify the needs of indentured apprentices and to analyze the institutional arrangements that currently exist to retain minorities placed by Outreach until they become journeymen. A total of 52 apprenticeship coordinators were interviewed in Cleveland, Dallas, Denver, and Philadelphia, along with the Outreach staffs in these four cities. Also interviewed were 261 active and inactive (dropouts) apprentices. Of these, 212 were minorities recruited by Outreach and 49 were white apprentices. The sample was split between the mechanical crafts, such as plumbing and pipefitting and electrical work, and the nonmechanical crafts, such as bricklaying, plastering, roofing, and heavy equipment operation.

"In theory," the study notes, "the range of supports offered to apprentices seems sufficient to be a positive factor to fostering retention of minority apprentices." The local Outreach staff, usually three to five people, recruits minorities, gives them some financial help, counsels them, sees to their tutoring and classroom work, and visits them on the job.

The Joint Apprenticeship Committee coordinator handles job placement for apprentices, gives them general guidance and support, and monitors and evaluates their performance on the job and in the job-related classroom work that is part of apprentice training. The union shop steward is the apprentice's champion in any squabbles with management.

The job supervisor, a management representative for whom the apprentice works, takes care of matters relating to learning the trade on the job and personal problems. The union's business agent is responsible for improving working conditions.

But the study finds this model faulty in practice. Outreach staffs do well on recruiting and preparing minority youth for apprenticeship openings, but do not have time to do routine followup as well, the study says. Consequently, most followup involves trying to resolve crises that arise rather than prevent problems. Data on contacts between apprentices and Outreach staffs tend to bear this out, the study says. Of the dropouts in the study, Outreach staffs had had contact with 70 percent of them during their apprenticeship. On the other hand, only 40 percent of the active minority apprentices had had contact with Outreach workers since becoming indentured.

Among active minority apprentices,

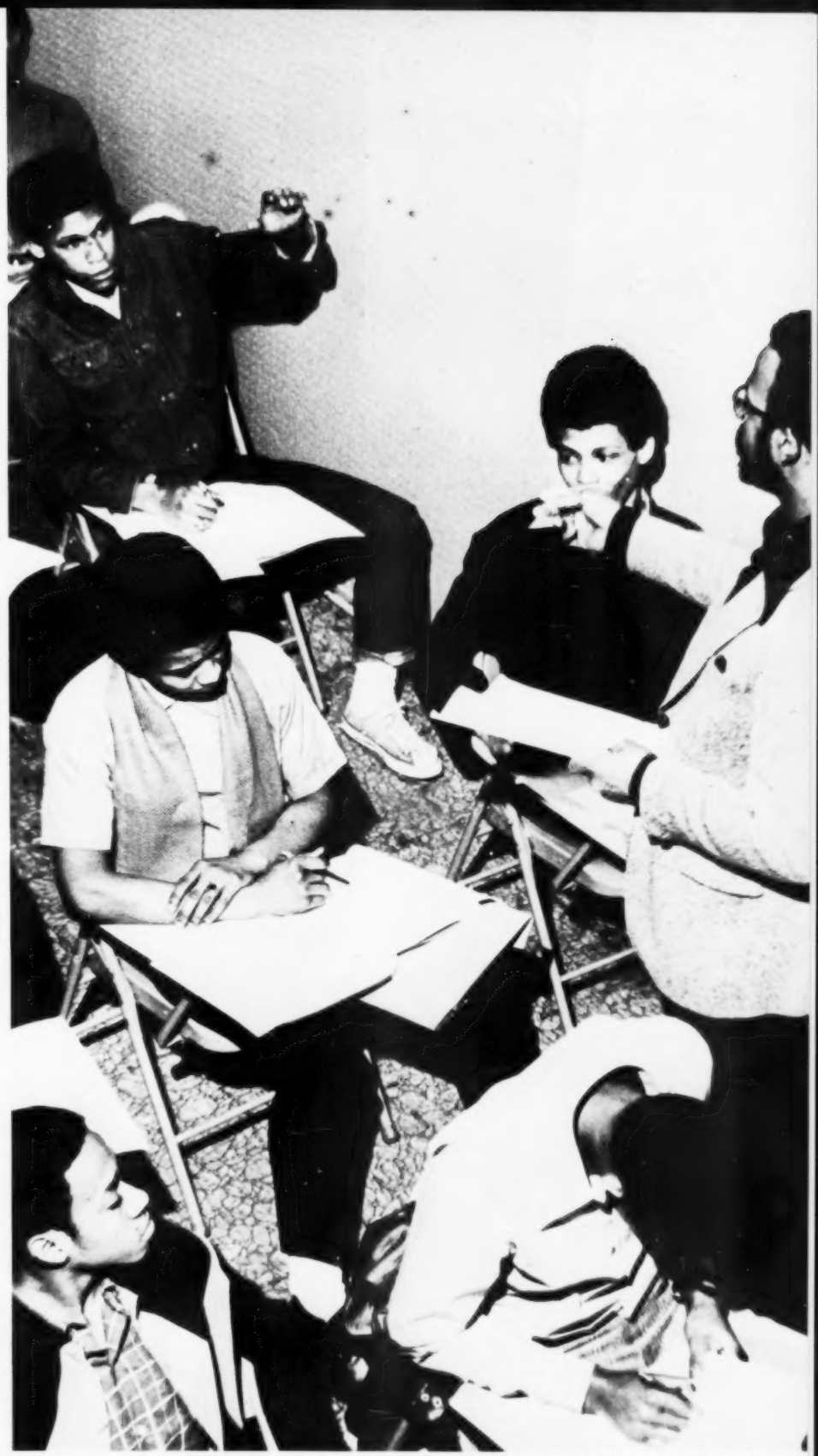
"self-reliance" rather than assistance from the Outreach Program appeared to be the major approach to solving problems.

The outreach concept requires close cooperation between the Outreach staff and the Joint Apprenticeship Committee (JAC) and its coordinator. Efforts by Outreach workers to improve retention are heavily dependent upon information from the JAC about how apprentices are doing on the job. But the study indicates that the JAC and the coordinator often fail to provide information in time to permit the Outreach staff to deal with problems before they blow up into a crisis. And the study suggests that many JAC's and coordinators prefer that Outreach stick to recruiting and avoid close involvement with apprentices on the job, where retention problems often are rooted in the customs and traditions of the construction industry.

Complaints Ignored

The Outreach staffs cannot press very hard on this point, the study notes, because Outreach Programs "are designed explicitly to avoid direct and dramatic public confrontations. . . . Their success is premised upon the existence of a climate of mutual respect for all parties concerned. To a large extent this mutual respect is determined by the acceptance not only of the apprenticeship system but of all the requirements (based within the apprenticeship law) for entrance into apprenticeship."

Apprentices are supposed to be given a clear idea of the work they are to perform and what they are expected to learn. The coordinators are supposed to visit apprentices on the job, evaluate how well they are doing, and determine whether they are getting adequate on-



An instructor from the Recruiting and Training Program, formerly known as the Workers Defense League, tutors a group of New York youngsters who are preparing for apprenticeship entrance examinations. The League pioneered the tutor-and-cram method of helping minorities pass apprenticeship tests and the technique now is used extensively in the Manpower Administration's Apprenticeship Outreach Program.

Minority Apprentices

the-job instruction and training. But the study suggests that apprentices' complaints about such matters carry little weight. Coordinators "place little reliability on the evaluations they receive from individuals on the job," the study says.

Some 68 percent of the unions indicated that they conducted orientation programs for apprentices. The items included varied considerably. By order of frequency they were: Wages, 47 percent; apprenticeship standards, 28 percent; safety rules, 25 percent; and work responsibilities, 22 percent. Other items, such as related training, general work attitude, transportation, and probationary periods got little, if any, attention in most of the orientations. "What can be safely concluded is that the orientation mechanism is not the means for acquiring a body of knowledge that should be imparted to every apprentice," the study declares.

Lack of information about their duties and about the customs of the industry might lead some apprentices to the mistaken belief that they are the victims of discrimination, the study says. For example, apprentices traditionally are assigned the most menial and disagreeable work on the construction site. But minority youngsters—especially those who have not been properly briefed—might not view it in that context.

On-the-job support is particularly critical to retention. Yet the study says few minorities get this kind of help. And the job supervisor—the person who has the greatest contact with apprentices—is seen as giving most of his time to white trainees. Whites also get more overtime, black apprentices say. A number of inactive minority apprentices cited lack of work as their reason for dropping out. In the construction industry job referrals usually are controlled by the unions.

The report casts doubts on whether the institutional arrangements to help apprentices are very effective. Of the minority apprentices, more than half reported getting no help from the Joint Apprenticeship Committee, the job supervisor, the union business agent, or the shop steward, and more than 40 percent reported receiving no help from the JAC coordinator or the Outreach staff. Whites did better but only marginally.

Motivation Is High

Lack of motivation does not account for dropouts among minority apprentices, the study asserts. "Minorities applying to apprenticeship volunteer for the program, receive no stipend, attend tutoring in the evenings for as long as 12 weeks, and many continue to hold full-time jobs," the study notes. "In addition, there are hidden costs that many absorb in taking time off from work to complete the application process.

"From the eyes of the apprentice, it is discrimination and the lack of acceptance on the job that most significantly contribute to his disliking the job. Moreover, the minority apprentice classifies his problems as ones in which he has no control or ones that he cannot resolve himself. . . ."

The report makes three types of recommendations for improvements, each with its own set of assumptions. These are described as the "no change reality," the "marginal change reality" and the "ideal change reality."

The no change reality assumes that the construction industry will continue to resist the presence of minorities in the crafts. Minorities will not be barred from entry, but they will find it hard to

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stay in long enough to become journeymen. "The major recommendation within this reality setting is the active enforcement of antidiscrimination legislation," the report says. Such enforcement, it notes, effectively changes union customs and traditions, improves retention, and affects "the economic well-being of apprentices in a positive way." The report admits that this route would increase the hostility of union workers to minorities and would shift power in present bargaining arrangements from the unions to the Federal Government.

The marginal change reality assumes that some crafts will make minor changes that can affect minority retention, but that the power structure will remain essentially the same. Within this setting, the report recommends that the JAC coordinator retain the primary responsibility for the education and supervision of apprentices, but that he be given some help. Sharing his responsibilities during the apprentices' first year would be a supervisory committee composed of shop stewards, job supervisors, business agents, journeymen, instructors of apprenticeship classroom training, and Outreach Program representatives.

Fewer Job Shifts Urged

Specifically, these committees would put together improved orientation programs for apprentices that would emphasize the unions' role as social organizations. "Within this context," the study says, "the requirement that all apprentices attend a minimum number of union meetings would not be unreasonable." The report notes that getting to know fellow workers and officials through union meetings helps apprentices "solve those problems on the job that cannot be resolved solely by the individual himself." It notes that successful apprentices in the study attended union meetings with far more frequency than those who dropped out.

The committee also would schedule work for the first-year apprentices so as to minimize their being shifted from one job to another, and yet give apprentices greater freedom to seek reassignment from jobs they do not like.

Within this framework, Outreach workers could become on-the-job advocates for apprentices. To achieve this, Outreach staffs are urged to acquire a firmer understanding of job problems and economic benefits that bear on apprenticeship and to increase on-the-job contacts with shop stewards, coordinators, and job supervisors to improve working conditions, job placement, and technical assistance for apprentices. To do this, this study admits, would require larger Outreach staffs. This recommendation is given added weight by the fact that Cleveland, where minority apprentice retention was best of the four cities studied, had the largest Outreach staff and conducted an active followup program.

The study also urges Outreach staffs to encourage dropouts to reenter apprenticeship. This recommendation was based on the fact that dropouts as a whole suffer reduced incomes after leaving the trades and as a result "almost half indicate that they would reenter the apprenticeship program if given a chance."

The ideal change reality assumes that the industry wants to make changes that will help retain all apprentices in an effort to cut the human waste and the economic losses involved in dropouts. The one specific recommendation made within this context is for better pay in those areas where wages are low. Some unions traditionally keep apprentice beginning pay "significantly lower" than the average starting pay for apprentices, which is 50 percent of journeyman wages, the study notes.

Beyond the call for higher pay, the recommendations are confined to a summary of the general characteristics an ideal apprenticeship system should possess. These include use of modern training techniques and greater flexibility in the length and pace of training and in movement between related occupations.

Retention Stressed

The major point of the study is that the good work done by the Outreach Program can be maintained over the long haul only if much more attention is paid to the integration of the new minority apprentice into the social system of which the union is a central institution. Part of the "traditions and customs" of the unions entails "not only who should enter a particular craft but also who should succeed after entry." Also, the study contends, the JAC coordinators often are former union officials and "tend to sanction the workers' decisions about who succeeds and who fails." The minority apprentice's own ability "is not a major criterion in determining his retention." Knowing where and how to get help is important.

Thus the minority apprentice must cope with a new social environment and an unfamiliar trade, both of whose customs and traditions often are alien to him. And he must do this without support from what had been, up to the point of entry into apprenticeship, his most effective representative—the Outreach Program.

A policy that places such a burden on minority apprentices clearly "is inadequate," the study concludes. □

Words & Figures

Classroom Training Completers

People 45 and over are regarded by many employers as less trainable than their younger job competitors.

The Manpower Administration now has some figures for fiscal year 1973 from which the opposite conclusion can be drawn. Mature workers had the highest completion rate of any age group among those leaving Manpower Development and Training Act (MDTA) classroom or institutional training programs during the year. Their completion rate was 84 percent, compared with 80 percent for those 22 to 44, and 74 percent for those under 22.

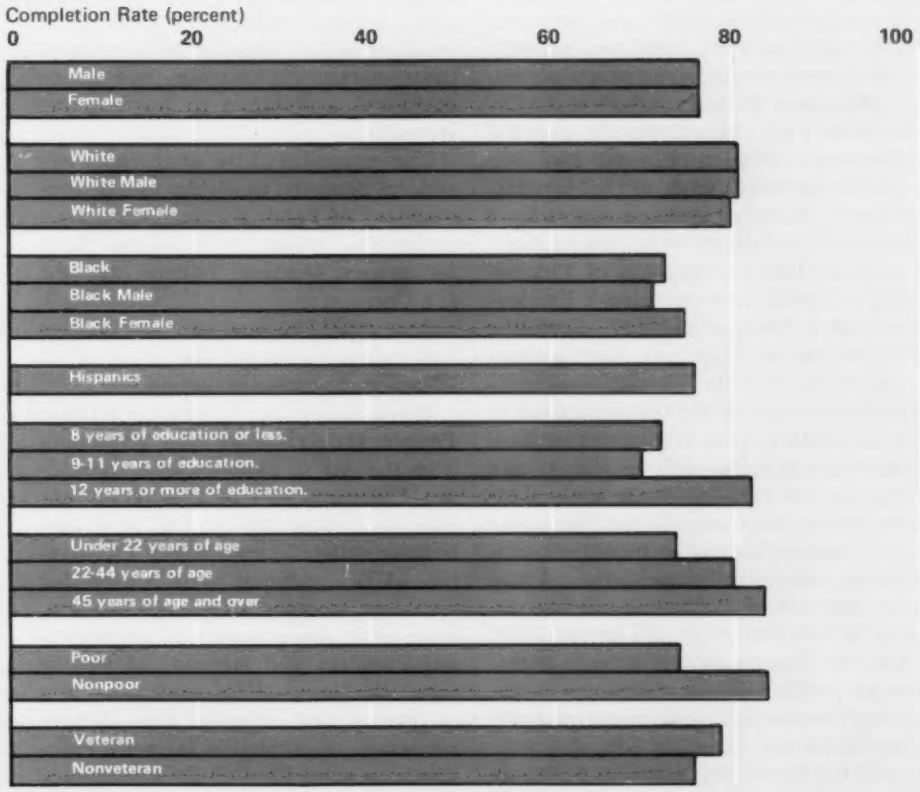
Of the 135,500 people who left (terminated) MDTA institutional projects during the year, some 104,500, or 77 percent, completed their training. Counted in the completions were those people who, as a result of the skills learned in class, could leave early to take a job as well as those who finished the full program.

The completion rate was the same for men and women—77 percent. Whites had a completion rate of 81 percent; for blacks it was 73 percent. Among poor people who left the program, 74 percent completed their training. The completion rate for nonpoor participants was 84 percent.

Of those who completed their training, 62,000 were poor, 42,000 were black, and 50,000 were school dropouts.

Among all those who terminated classroom projects, either by completing training or otherwise, 65 percent were white and 31 percent were black. About 10 percent were Hispanics. Almost 2 out of 3 who terminated were poor, and about the same proportion were heads of families. Thirty-six percent of those who left the program were veterans, 37 percent were school dropouts, and 35 percent were women.

Completion Rates by Selected Characteristics of MDTA Classroom Program Participants Fiscal Year 1973



Manpower Budget

Following are excerpts from the President's budgetary recommendations for fiscal year 1975 dealing with manpower and related programs.

The Federal Government works with States and localities to help train people for jobs, match the skills of those looking for work with available jobs, prevent job-related disease and accidents, enforce minimum wage and other standards regulating employment practices, and insure equality in employment opportunities.

Manpower Training and Employment Services

Help is provided to States and localities to train unemployed or underemployed people, to match jobs with people seeking jobs, and to provide transitional employment opportunities.

Manpower program activities—In December 1973, the Congress enacted manpower program reforms which embodied the major goals of the Administration. Many separate programs have been consolidated into one statute. Most of the appropriation of $2.1 billion under this Comprehensive Employment and Training Act (CETA) will be distributed to State and local governments by formula. Prime sponsors—generally cities of 100,000 population or more, States, or combinations of local government units—will be able to use the money, in accordance with plans they have prepared, for the manpower services they choose to meet the needs of the people within their areas. These services can include skill training, remedial education, on-the-job training, job development, job matching, transitional public service employment, vocational counseling, and related supporting services.

Under the new legislation, $250 million is proposed as a 1974 supplemental and $350 million is provided in 1975 for distribution to prime sponsors in areas with unemployment rates of 6.5 percent or more. These funds are designed to enable localities with high unemployment rates to increase their transitional public employment, or otherwise expand their manpower programs. With funds provided by a proposed 1974 supplemental and the 1975 request, $300 million will be distributed each year under the CETA formula for use in special summer employment programs for school-age youth by those States and localities wishing to do so. Under the new act, States can exercise authority throughout their areas by coordinating State agency services with prime sponsor activities, providing for planning areas, developing consistent labor market information, and giving technical assistance to local prime sponsors.

The remainder of the total manpower appropriation is available to the Department of Labor for special national manpower programs, including those for migrant workers, Indians, and the Job Corps.

About 592,000 man-years of training and employment will be provided in 1975 with $2 billion in outlays.

Work Incentive Program (WIN)—People receiving welfare payments from the Aid to Families with Dependent Children (AFDC) program are aided in finding jobs so that they may become self-sufficient. Every employable AFDC recipient must register for work or training. Through testing, counseling, and exposure to various job opportunities and methods of finding jobs, the local WIN staff help the recipients find suitable jobs. Where necessary, opportunities for work experience or subsidized on-the-job training are provided. If employment cannot be developed otherwise, the recipients are trained in skills in a classroom setting. When these opportunities cannot be found, transitional public service employment can be provided. Local welfare agencies supply child care, minor medical, and other supportive services to assure that the WIN registrants can accept and retain jobs. In 1973, about 137,000 WIN registrants were placed in jobs, and 65 percent of these were still working after 90 days. In 1974, it is estimated that the program will spend about $300 million to help 200,000 registrants obtain jobs. The program will be kept at this level through 1975 as its effect on the welfare system is evaluated.

Emergency employment assistance—About 325,000 individuals were employed in transitional public service jobs over a 30-month period in fiscal years 1972, 1973, and 1974. This emergency program was enacted in 1971 when the national unemployment rate was 6 percent. Authorization for appropriations for this program expired June 30, 1973.

Federal-State employment service—The Federal-State employment service is operated by State governments with 100 percent Federal financing. In 1975, about 4.6 million people will be placed in nonfarm jobs, about the same as in 1974. The Federal Government will work closely with the States to help increase the effectiveness and efficiency of the service.

Other Manpower Aids

These programs help reduce job-caused accidents and disease; enforce minimum wage and hour laws; assure equal opportunities in employment; secure fair practices and resolve disputes in labor-management relations; and obtain the basic statistical data to support

ge Recommendations

economical, fiscal, and program decisions. In 1975, outlays for these programs are expected to be $494 million, $89 million more than in 1974.

In 1975, 30 States are expected to be enforcing occupational safety and health standards under programs which are as effective as the Federal Government's. The Department of Labor pays 50 percent of the cost of these State programs, and sets and enforces health and safety standards in areas not covered by approved State plans.

The Government will expand efforts to assure that every worker has nondiscriminatory opportunities for hiring and promotion. In 1975, under the leadership of the Department of Labor, the 18 compliance agencies in the Federal Contract Compliance Program will intensify their review of the performance of Federal contractors' affirmative action plans. These plans provide minorities and women equal employment opportunities. The Equal Employment Opportunity Commission will conduct an estimated 33,000 investigations and 15,000 conciliations of complaints of job discrimination in 1975. Legislation is again recommended to extend the law which prohibits job discrimination against older workers so that it will cover State and local government workers.

The Administration will continue its efforts to secure passage of responsible legislation to assure workers the pensions which they expect by requiring adequate vesting, funding, and fiduciary responsibility.

Unemployment Insurance

The basic unemployment insurance program, which is established by States in conformance with Federal standards, generally provides up to 26 weeks of benefits to those unemployed who worked in jobs covered by State laws. The amount of the benefits is ususally 50 percent of the worker's previous wages, subject to a maximum set by the various State laws. Another 13 weeks of benefits can be paid if the national insured unemployment rate is above 4.5 percent or if a State insured unemployment rate is above 4 percent and at the same time at least 20 percent higher than it was in the previous 2 years. Temporary legislation in effect through March 1974, permits the States to suspend the application of the 20 percent test.

Administrative improvements in the unemployment insurance program will be continued to assure prompt payment of unemployment compensation benefits and the efficient collection of taxes by the States. The Administration has proposed legislation to require States to provide coverage for farmworkers and to increase the maximum weekly benefit to at least 66⅔ percent of the State's average weekly wage. Outlays for unemployment insurance benefits which include the program for ex-Federal workers are expected to be $7.1 billion in 1975. □

Welfare Reform

One of the major unfinished pieces of business of my Administration is the replacement of the current welfare system with a new system that works. *Figures collected over the past year are grim testimony to the fact that our current welfare system is a mess; these figures show that fully 40 percent of the payments made are incorrect. I intend to make new proposals to solve this continuing problem.*

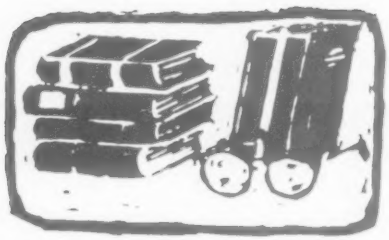
As we begin this effort, I hope that the debate can focus on the substance of the issues, not on superficial labels. I believe that the majority of the American people agree on the principles that should guide Federal income assistance:

- *The system should provide strong work incentives for those able to help themselves.*
- *Income assistance should be provided in cash, rather than in kind, so that families can make their own spending decisions.*
- *The system should be as simple as possible, replacing the chaotic rules and overlapping programs that we have now.*
- *The levels of support provided should reflect the compassionate spirit of the American people toward those who cannot provide for themselves.*
- *Federal aid should be provided on an equitable basis nationwide.*

I believe that the Administration and the Congress, working together, can and must *find a solution that accords with these principles.*

Richard Nixon
Budget Message of the President

Book Reviews



Cause and Cure

The Economics of Poverty and Discrimination

by Bradley R. Schiller

Prentice-Hall, Englewood Cliffs, N.J., 1973. 199 pages, $7.95.

Social scientists have long argued whether to blame poverty on the poor and their vices or on a society which denies them opportunities. Concurrently, policymakers have debated whether to attack poverty by changing the poor themselves or the economic system. This book—aimed at the nonspecialist—is a welcome synthesis and evaluation of the latter analytical and policy positions.

After introducing various concepts of poverty and profiling the poor, Professor Schiller devotes half of the book to investigating the causes of poverty. Included are:

- Labor market forces—the phenomena of subemployment and the working poor.
- Demographic forces—age and health, family size and status, culture and race, and education and ability.
- Institutional forces—discrimination in education and in the job market.

Properly focusing not on correlation but on causality, Schiller concludes that "for the most part the aged poor were poor before they were aged, broken poor families were poor before they split up, large poor families were poor when they were smaller, and sick poor families were poor even when they were well." Thus, little poverty is attributed to the characteristics and behavior of the poor; rather it is found to be embedded in our political-economic system. "High unemployment and sluggish economic growth are the most certain and forceful agents in perpetuating poverty," Schiller says.

Schiller then proceeds to evaluate a few existing and proposed income maintenance, employment, and equal opportunity policies. Emphasizing the extent to which these efforts address the true causes of poverty, he judges that "recent public antipoverty activities do not appear well directed." Income support is merely a palliative, while education and training "may provide an escape for some of the poor, but it will not enable a mass exodus from poverty."

He proposes the following redirection of policy: "To eliminate poverty, we must first expand the number of decent job opportunities and make them available to all." Next, "government agencies must make a determined effort to equalize educational and employment opportunity," including preference for minorities. "Finally, the public must assume responsibility for those who are temporarily or permanently unable to participate in the labor market."

So far, so good. But a few rough edges mar the presentation. Some are merely annoying, like referring to the Employment Act of 1946 as the Full Employment Act. Others are serious. In discussing work incentives for recipients of Aid to Families with Dependent Children, Schiller presents the "100 percent tax" (which some States once used to reduce welfare grants by $1 for each dollar of earnings) as if it were the present system. He dismisses as only "slightly greater" the work incentives provided by the 1967 Social Security Act amendments (that permitted welfare recipients to keep the first $30 plus one-third of the remainder of earned monthly income without a reduction in welfare benefits); yet he hails as "significant" a very similar provision of the proposed Family Assistance Plan.

Readers who would like to pursue a topic discussed in the book may have difficulty, because the references supplied after each chapter are dated and incomplete. Of 10 references on family size and status, for example, none is later than 1968; of five references on discrimination in education, none is later than 1967. And some of the most appropriate, and most current, works are overlooked.

Notwithstanding such shortcomings—which can be corrected in a second edition—the book is generally well organized and well written, and it fills an important need.

David Marwick

Ups and Downs

Labor Market Analysis of Engineers and Technical Workers

by Glen G. Cain, Richard B. Freeman, and W. Lee Hansen

Johns Hopkins University Press, Baltimore, 1973. 88 pages, $1.95 (paper).

Since the 1950's there has been particular concern for the labor market for scientists, engineers, and technicians—first over shortages, then over surpluses. This book provides an excellent analysis of those issues. Briefly, it examines the criteria for assessing the adequacy of supply and demand, the information gaps, and the future of that labor market. The report is not a presentation of a new set of empirical findings, but rather an incisive analysis of the problems, with evidence from recent research. Certainly, definitive answers are not provided for all questions posed, but critical issues are exposed and viable paths toward solutions are suggested.

Part I summarizes the reasons for concern. It argues persuasively that Government action has contributed substantially to the volatility on both the supply and demand sides of the market. Also, the need for more precise definitions of occupational subgroups is expressed.

A framework for analyzing the labor market for scientists, engineers, and technicians is offered in Part II. The authors conclude that we are not yet able to estimate future demand with a great deal of precision, and that the measurement of how efficiently engineers and technicians are used remains a cloudy concept. They further assert that current theory cannot accommodate, in any very rigorous way, the impact that nonwage variables will have on supply. Finally, they contend that rapid supply responses and salary declines serve as evidence that supply and demand mechanisms are allocating engineers within the labor market.

Areas of policy concern are the focus for Part III. The development of scientists, engineers, and technicians, it is argued, has not been scrutinized as carefully as have other manpower programs. Cost-benefit analyses are therefore urged. Also, current efforts to project future conditions are said to suffer from the general absence of an economic model or analytical framework.

One of the key assets of this book is its timeliness. The authors have described the market volatility of the past decade and have accurately isolated the principal factors behind it. Surpluses have subsided somewhat and engineering schools, engineering associations and societies, and (to some extent) the Government are already beginning to warn of future shortages. Hopefully, the caveats offered by Cain, Freeman, and Hansen will be heeded in time to avert a repetition of the experience of the 1960's.

While, overall, this report is recommended highly, there are some areas of concern. One is that the meticulous precision normally forthcoming from Cain and Hansen lapses occasionally. For example, the authors advocate specific occupational definitions, yet they are inconsistent in their own use of occupational classifications. In one paragraph, they refer to "scientific and technical personnel," "the technical sector," and "engineers, scientists, and technicians." Are these identical groupings? Similarly, chapter titles refer first to "engineers and scientists" and later to "technical workers." Are these different groups?

Another point of uncertainty is the intended audience. At some points elementary concepts are discussed at length, while at others considerable sophistication is apparently assumed of the reader. Finally, a note on format: Although not a lengthy report, a brief concluding statement would have been helpful.

Roger D. Roderick

Only Part of the Picture

Public Policy for Day Care of Young Children

Edited by Dennis R. Young and Richard R. Nelson

Lexington Books, Lexington, Mass., 1973. 115 pages, $9.

Starting with the premise that the day-care field has become well satuated with literature in recent

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years, one wonders whether a new entry can be of particular value. If so, this volume, a collection of papers prepared for the Urban Institute, is not the answer. Its contributors cover the rationale of public support for day care, concluding with a chapter by the editors addressed to a national day-care policy.

Several articles document well the plethora of agencies and the maze of red tape involved in establishing and running day-care programs in the District of Columbia. If the District is typical, better than some cities and worse than others, it is a wonder there is any public or partially public day care. As Emma Jackson's paper on "The Present System of Publicly Supported Day Care" concludes:

"In summary, we observe an ill-coordinated and rather cumbersome and entangling delivery system for publicly supported day care, which provides weak assurances of quality care, and mutes the incentives for supply to adjust to demand. Difficulties of Federal program fragmentation, ambiguities in the administration of individual grant programs, budgeting and financial constraints, closed funding channels, and disparate licensing requirements point to the need for streamlining and consolidating governmental finance and regulatory machinery for day care. . . ."

It would have been profitable to supplement the District's experience with studies in one or two other jurisdictions, particularly areas where there is better coordination and less domination by a specific day-care provider agency. Role models from good foreign experiences could also be valuable in focusing public policy direction in this country.

The introduction, written by Dennis Young and Emma Jackson, states that its subject is "extra-family" day care, thus emphasizing its concentration on day care that is provided primarily in a center. But most child care in the United States is now and is likely to remain, in the near future at least, family day care. Can a public policy for day care be evolved with only part of the picture? Further, how can a compendium which has as its goal defining the basis upon which subsidies, standards, and eligibility policies ought to be set, pay only lip service to the interests of the women's movement?

Major changes are to be expected as we enter the era of revenue sharing, yet other than a recognition of this development, the workers in the day-care field and policy decisionmakers are given no guidance on what new or different conditions they will have to cope with. For that matter, we are left to guess what current confusions will remain.

The book includes a brief history of extra-family day care in the United States; sources and trends in the demand and supply of day care; a discussion of delivery systems for day care, including the problems of operating day care on a proprietary basis; a critical analysis of the vetoed comprehensive child development bill; and methods community agencies can use to define demand and supply problems in planning day care. This reviewer's knowledge of the experiences of labor, industry, and the Government in establishing and continuing day-care centers for children of their employees dictates a word of caution to readers not to overestimate demand. It is far better to initiate programs on a smaller scale, with planned expansion attainable, than to assume that expressed interest is always translatable into numbers.

Pearl G. Spindler

Handy Locator

Programs in Aid of the Poor for the 1970's
by Sar A. Levitan
Johns Hopkins University Press, Baltimore, 1973. 140 pages, $7 ($2.50 in paperback).

This is a businesslike, readable, and generally useful little guide to and commentary on the United States' organized antipoverty efforts. It is a complete revision (as it had to be) of a study originally prepared in 1965 for the National Commission on Technology, Automation, and Economic Progress. There must be many readers, like the reviewer, whose knowledge of programs for the poor is fragmentary and impressionistic and yet who have occasional need for a handy locator and measuring device. Here it is. The programs are set forth in logical sequence, measured in dollar and manpower terms, and briefly evaluated against their objectives.

The overwhelming impression left with the reader is the enormity and complexity of the needs remaining to be met, despite the billions of dollars expended annually. These needs are age-old, as we are reminded by a well-selected scriptural quotation at the beginning of each chapter. Another strong—and tragic—impression is of how little we know of what really works and of how great the requirement for ever more disciplined research and experimentation. The difficulties of wiping out poverty are given further realism by the author's emphasis on the economic costs and political skepticism that lie in the way of real progress.

After defining poverty (the line can be drawn at an income of less than $4,200 for a family of four in 1972) the book categorizes the programs into four types:

- Income maintenance: Social security, welfare, and veterans' cash benefits and other monetary aids.
- Direct provision of necessities: Medicare, Medicaid, Indian health, housing, food stamps, school lunches, and social services.
- Preventive and compensatory efforts for children and youth: Birth control, child care, and education.
- Programs to aid the employable poor: Manpower training, equal employment opportunity requirements, minimum wages, aid to migrant workers, and so on.

In each category 1972 or 1971 data are clearly, often graphically, presented, and goals and obstacles are discussed. Levitan also reminds us frequently of the value of many public programs that prevent the nearly poor from becoming the miserably poor.

Coming to his own evaluation in the final chapter, the author states that the first Nixon administration allowed "Great Society" antipoverty programs to expand and flourish, but that the second Nixon administration chose to cut them in order to reduce what it considered inflationary pressures. The author's bias (like the reviewer's) is in favor of doing more rather than less and it prevents him from picking up in his conclusions his earlier observations on program failures.

Looking to the future, Levitan urges programs of both income and services and, being realistic about the resources politically available, selective programs to aid particular groups among the poor. He would give top priority to income support, plus a work incentive plan. After that, further attention would be given to education (particularly preschool), job training, housing for the working poor, and birth control. The author's priority programs would cost $20 to $25 billion over a decade—an increase he considers modest but politically difficult.

Any picky reviewer can find at least his own favorite programs omitted or underplayed in a book of this kind. So it is that I wish he had given explicit emphasis to jobs and supportive services for criminals on probation, work release, or parole (low-income criminals, that is). Nevertheless, we have here a remarkably comprehensive compilation whose contents should be absorbed by those who make public policy.

David T. Stanley

The Reviewers

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